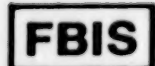


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8 February 1985

Southeast Asia Report



FOREIGN BROADCAST INFORMATION SERVICE

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AUSTRALIA

REPORT ON REACTION TO OECD ECONOMIC SLUMP FORECAST

Article, Graph Compares Forecasts

Melbourne THE AGE in English 20 Dec 84 pp 1, 3

[Article by Michael Gill, Andrew Barr and Russell Barton]

[Text]

Australia's economic performance next year would slump and fail to match that of other developed countries, according to the Organisation for Economic Co-operation and Development.

In contrast with the optimistic view put during the election by Prime Minister Hawke, the OECD expects domestic growth to fall to a third of this year's strong 6.2 per cent. Mr Hawke forecasts that Australia would outperform other industrialised economies in 1985.

According to the OECD in its forecast released last night Australia's economic growth rate in 1985 would fall behind most of the leading world economies. It would also be less than that of Austria, Denmark, Finland, Ireland and Turkey.

While supporting the thrust of OECD forecasts, the Melbourne Institute of Applied Economics and Social Research was much more optimistic about business investment this financial year.

"1983-84 has been a turnaround year," the Institute said in its quarterly forecasts. "Profits have increased dramatically and inflation has fallen. Business investment has stopped falling at last and can be expected to increase substantially in 1984-85."

The OECD outlook for the key economies of Japan and the US is optimistic, but it also takes the view that Australia's recovery last year was short lived.

The ALP made great play of economic management in the run up to the elections. The Treasurer

Mr Keating claimed in the August Budget speech that Australia's economic growth in the year to June was 10 per cent. "This means Australia was the fastest growing economy in the Western world," Mr Keating told Parliament.

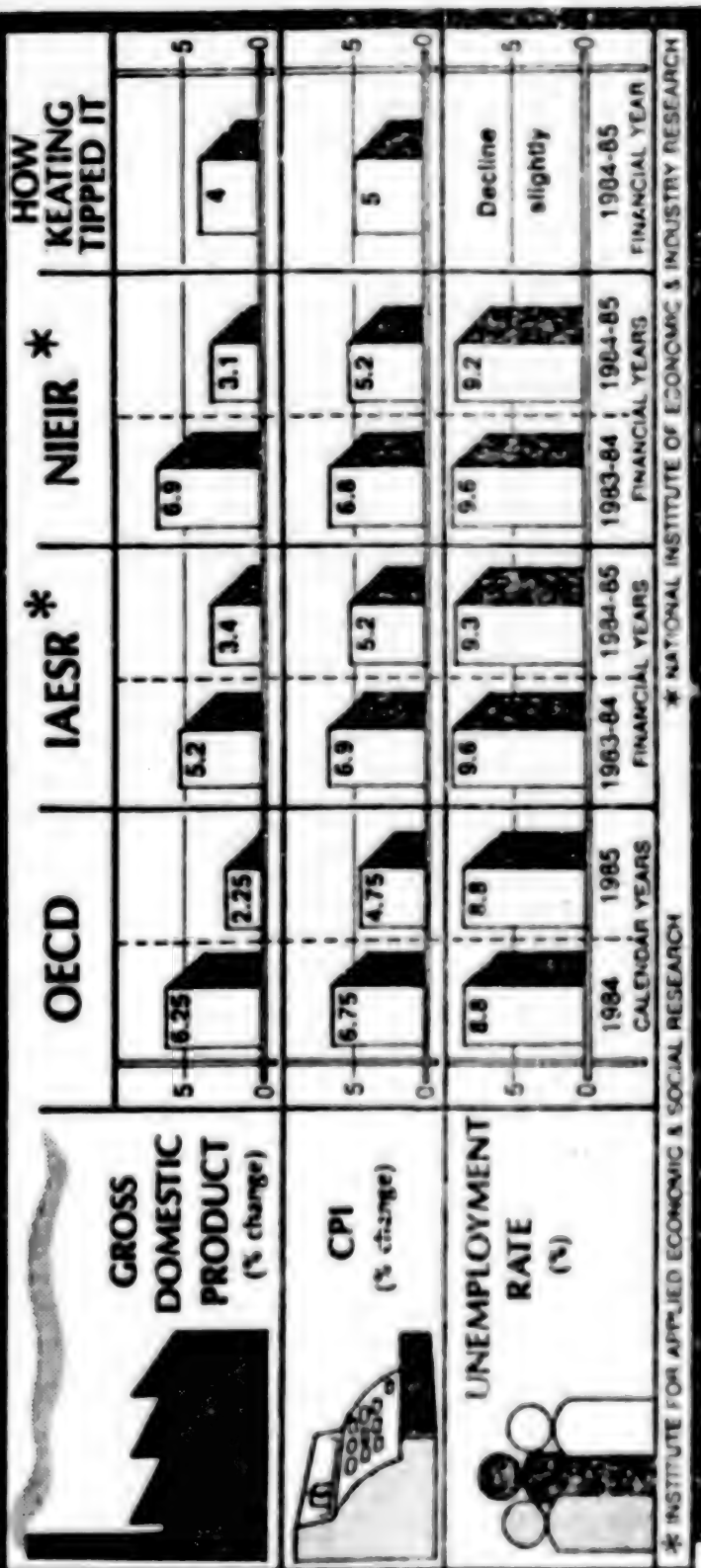
Other predictions by the OECD, the Paris-based club of rich countries, were in line with recent Australian forecasts. The OECD said inflation would fall from 6.75 per cent this year to 4.75 per cent in 1985. But the downward trend was expected to be reversed in 1986, especially if big wage gains followed the renegotiation of the accord at the end of next year.

The low OECD growth figure for 1985 is consistent with the forecast of the National Institute of Industry and Economic Research, which expects that gross domestic product will fall to 3.1 per cent growth in 1984-85 and again to 1.9 per cent growth in 1985-86.

The OECD said the growth in employment was likely to slow next year "and unemployment may not decline further". Elsewhere in its report, the OECD highlighted youth unemployment. Australia ranked poorly in youth unemployment compared with the US, Germany, Finland or Norway but markedly better than France, the UK, Italy or Canada.

Business investment was expected to slow in 1985 while government investment grew. Farm exports were forecast to slow sharply and OECD warned that loss of international competitiveness and a building up of industry

HOW THE FORECASTERS SEE AUSTRALIA'S ECONOMY



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stocks could bring a rapid increase in industrial imports.

As a result of weak demand and poor competitiveness in Australian exports, the deficit on Australia's trade was forecast to increase from \$6500 million this year to more than \$900 million in 1985.

Waning confidence in Australia's manufacturing industry was shown up in a survey released yesterday by Westpac and the Confederation of Australian Industry.

The proportion of manufacturers expecting worse business conditions in the next six months grew from 8 per cent in September to 28 per cent in December, the Westpac-CAI survey found.

While 57 per cent of the 246 companies surveyed expected no change, only 15 per cent forecast improvement compared with 33 per cent three months earlier.

The Opposition Leader, Mr Peacock, said the number of survey respondents predicting worse conditions was alarming. "No doubt the November production statistics to be issued on Friday will further confirm the slowdown in the manufacturing sector," Mr Peacock said.

The survey showed that the main limitation on manufacturers production was a lack of new orders, although 42 per cent were working at a satisfactory level — the same proportion as in September.

But 57 per cent of manufacturers were still operating below their capacity.

Manufacturers said employment continued to fall and 26 per cent expected more jobs to be lost in the March quarter.

The OECD said the economic improvement in the industrial countries last year was the best for some years. However, there were problems, with uneven performances by some countries resulting in rising unemployment.

Problems still ahead were the US Budget and trade deficits, for-

eign debt problems of developing countries and trade barriers.

Professor Peter Dixon, director of the Melbourne Institute of Applied Economic and Social Research said yesterday the Australian economic recovery was neither very strong nor broadly-based. But there was cause for optimism about the economy from the strong growth over the past year in disposable business income: boost in company profits and the likelihood of increased private investment in 1984-85.

Professor Dixon was speaking in Melbourne after the release of the Institute's fourth quarter Australian Economic Review.

The institute said the major cause for the improvement in corporate profits and the slow growth of labor costs compared to prices in 1983-84 was the "wage-tax bargain" implemented by the Hawke Government.

The institute said the wage-tax bargain — the Prices and Incomes Accord — had reduced labor costs of offering wage earners tax cuts instead of wage rises.

This had boosted profitability, increased employment opportunities and lifted investment demand.

But Professor Dixon said that continued moderation of wages growth was necessary to maintain a favorable investment climate.

The institute has predicted that GDP will increase 3.4 per cent over the 12 months to November 1985, well down from 5.2 per cent in the corresponding period to November 1984.

But it said that, while growth in farm production would slow after dramatic growth in 1983-84, industrial growth would increase significantly, from 3.5 per cent to 4.4 per cent.

The institute has predicted that new capital spending by business will increase by about 7.4 per cent to \$15,000 million.

Sydney THE AUSTRALIAN in English 21 Dec 84 p 2

[Article by Errol Simper]

[Text]

THE federal Treasurer, Mr Keating, yesterday contradicted an Organisation for Economic Co-operation and Development forecast that Australia's economic recovery may be over, saying the OECD had "got it wrong" and badly underestimated the economy's strength.

Mr Keating said the OECD was "seriously at odds" with forecasts by the Treasury, which suggested the economy would attain the Government's Budget estimate of a growth in the non-farm sector of about 5 per cent in 1985.

Mr Keating, speaking in Sydney, also dismissed a Confederation of Australian Industry-Westpac survey, released on Wednesday, which also suggested confidence in the manufacturing sector was waning.

He said the survey did not seem to have been seasonally adjusted "as it should have been" for a post-Christmas downturn which could normally be expected.

The OECD analysis, officially released yesterday, suggested Australia's growth would slow next year to only a third of last year's growth of more than 6 per cent.

The analysis said Australia's economic recovery was destined to be short-lived and could slow next year to fall behind most leading world economies.

The Treasurer said the OECD appeared to have formed its analysis in the absence of relevant, up-to-date information. And it appeared to have seriously miscalculated the effect of the Budget tax cuts.

"The main error of their analysis seems to be in the area of private consumption," he said. "The OECD estimate is heavily dependent upon an abnormally weak private consumption projection."

Mr Keating said this would be proved incorrect by greater consumer confidence, flowing from the tax cuts and knowledge that inflation was under

control. This had already been borne out with the growth in the October retail sales statistics, which had shown strong growth.

"This leads the Government to the very firm conclusion that in terms of disposable income our assessment (for growth) in 1985 is about double that of the OECD," he said. "I'd like to repeat, on the Government's behalf, we see the Budget forecast for 1984-5 being very much attainable over the course of the year."

Ratio

"That is for a non-farm growth of the order of 5 per cent and for a Gross Domestic Product of around 4 per cent. And, as well as that, we believe through 1985 Australia will have a rate of growth higher than the OECD average."

"The fact is, we've got the tax cuts now pumping about \$40 million a week back into the economy. We've got the social security payments pumping about \$10 million a week back into the economy. And we'll see a rundown in the savings ratio from their very high levels through the course of the year."

"Every time we get inflation down - when people feel they are not threatened by inflation and don't have to keep squirreling money away in savings banks - they start to spend it. These things augur well for consumption over the year and if our estimates on consumption are right it will prove the OECD very wrong."

"They are very seriously out on this occasion."

Mr Keating, who regularly referred to Australia as having one of the world's fastest-growing economies during the recent election campaign, defended his statements as "perfectly reasonable".

He said neither he nor the Prime Minister, Mr Hawke, had set out to "hoodwink" the electorate over the state of the economy. The Government continued to stand behind everything both had said.

Mr Keating said some economic commentators appeared to have become so used

to bad news they now had "a psychological block" to good news.

He also criticised some interpretations placed on the OECD survey, as well as the circumstances of it being made public.

Mr Keating accused The Age newspaper in Melbourne of breaking an embargo. The survey would not have received the prominence it had if it had been made public in a more normal way.

The OECD survey was not in any way a definitive finding on Australia, but rather a mid-year "analysis of the various economies with less than a page devoted to Australia".

"This is not a definitive analysis at all," he said. "If the Melbourne Age was compelled to observe the embargo, as they should have and as everyone else had the decency to do, then it wouldn't be the story it is today."

He said that, in any case, apart from its low growth estimates, the survey had been very positive in some respects about Australia's economy.

Inflation would decrease from 6.75 per cent in 1984 to 4.25 per cent, while for the calendar year (1984) Australia's economic growth was expected to be 6.25 per cent "almost as fast as the United States and faster than all the other OECD countries".

"The OECD did not this time provide figures on a June-on-June year basis, but an earlier publication, Main Economic Indicators, has confirmed that during the 1983-84 financial year, Australia's economic growth rate was the fastest of all countries in the OECD," Mr Keating said.

"It also needs to be kept in mind that during the past two years the OECD has consistently under-estimated the pace of economic growth in Australia."

Mr Keating dismissed criticism from the Opposition economics spokesman, Mr Howard, saying Mr Howard was "a specialist in recession" whom no one would trust with "a jam jar full of 5c pieces".

Opposition Hits Government

Sydney THE AUSTRALIAN in English 21 Dec 84 p 2

[Text]

THE Deputy Leader of the Opposition and former treasurer, Mr Howard, said yesterday that the OECD report "blows the trilogy right out of the water".

He accused the Government of deliberately misleading the public and making irresponsible economic predictions that the Government knew were untrue.

"The crime the Government has committed in political terms is to have talked up the economy during the election campaign, to have pretended that next

year they believed we would have the fastest-growing economy in the Western world, when in reality the most respected economic body in the world has said quite the opposite," he said.

"To achieve the trilogy you need a growth rate of 4 per cent next year and this is nowhere near 4 per cent, its almost half that."

Mr Howard said Mr Hawke and Mr Keating had "forecast interest rate falls, forecast growth levels," and talked up a new resources boom during the election.

ALP Attention Urged

Sydney THE AUSTRALIAN in English 21 Dec 84 p 6

[Editorial: "Labor Must Heed Economic Warnings"]

[Text]

LABOR governments enjoy being in office when there is money to spend. It allows them to realise some of their ideological aims. When things get tough they tend to lose interest. The Whitlam government ran into the inflationary times which accompanied the oil price boom. The Dunstan government in South Australia shot through the stratosphere of public acclaim like a shooting star, only to burn up when the money ran out.

The most difficult thing for a Labor government to do is run a tight economic ship and impose discipline not only on the nation but on its own supporters. But this is what the Federal Government is going to have to do if it wants to continue into another term of office and become a natural party of government.

The message from the OECD report on the Australian economy is clear. We are decelerating. There will still be economic growth but at a slower rate.

To achieve economic growth which will get unemployment down and provide money for social aims there has to be greater economic activity which will result in more wealth. This particular result seems to be offensive to many of the ideologues of the ALP. They are into redistributing existing wealth and so they are pushing death duties, gift duties and capital gains taxes.

If there is good economic growth then there will be greater taxation revenue and, interestingly, the OECD report forecasts tax revenues rising steeply, by 17 to 18 per cent, despite

personal tax rate reductions. To get growth there must be the right conditions of incentive, enough entrepreneurs with skill and ideas ready to risk capital, a government that has enough sense to get out of the way of real enterprise and as little restrictive regulation as possible.

In our sort of society there also has to be a labor system that exercises its power with responsibility. If that labor system irresponsibly damages the capacity to create wealth in the pursuit of its aims then it deserves to have its power cut. One of the theoretical attractions of having a Labor government is that organized labor behaves more responsibly when its supporters are in office.

This Christmas, Australia must be wondering whether there is much difference between having a coalition government or a Labor government. Christmas air travellers are

inconvenienced shamefully again, the sewage floats into Bondi as the bathers wade out, the ports are decorated with waiting ships.

The Left, the Centre Left and the Right in the Federal Government must decide whether they are going to create fresh wealth to distribute in accordance with their philosophies, and deserve re-election, or concentrate on redistributing what we have, which may well soon be a decreasing commodity.

The OECD report is a warning of the sort of tougher times that lie ahead. If the Government as a whole can bring itself to act responsibly now, and with self-discipline, there may indeed be money to spend and enjoy in a fresh term after this one. Achieving this desirable outcome means supporting broadly the policies formed by the Government in its first term of office.

CSO: 4200/420

AUSTRALIA

EDITORIAL EXPLORES LESSONS IN 'GRIM' FARMING FORECAST

Sydney THE AUSTRALIAN in English 20 Dec 84 p 8

[Editorial: "Lessons To Be Learnt in Farming Forecast"]

[Text]

THE grim outlook for farmers next year, which has been forecast by the Bureau of Agricultural Economics, should be of concern to all Australians. Since the breaking of the drought contributed about one half, directly and indirectly, to the economic recovery, a downturn in rural fortunes will affect most of us in one form or another.

The bureau estimates farm incomes will drop 23 per cent this financial year, when the outlook for our manufacturing industries can hardly be described as encouraging, or the economic recovery as durable. Indeed, the BAE forecast is bleaker than was feared only a few months ago.

The prospects of a rise in prices in most of our rural exports next year are not good. On the contrary, there is every possibility prices will fall as developing countries load their farm produce on world markets to pay back their foreign debts.

If, as is likely, the BAE forecast is realised, then Australia can expect at best only a sluggish economy next year, and higher numbers of unemployed in the cities and on the land. No recovery in mining is in prospect, and the recent coal dispute in NSW has undoubtedly harmed our reputation as a reliable supplier.

Such a poor rural outlook is hardly likely to engender confidence in the economy, and this will affect the expectations of business and

consumers. Although the rural outlook is a timely reminder that our economy is still captive of the elements, the unpalatable fact remains that our inordinate dependence on the rural sector for our prosperity is partly of our own doing.

We have not built up a strong manufacturing sector, and what we have is being progressively weakened by import dumping on the one hand and the unrealistic wage rates set by the Arbitration Commission on the other. Even the industrial peace promised by the prices and incomes accord has evaporated, as the spate of strikes for one reason or another around Australia is showing.

If that were not enough, our interest rates are among the highest in the world, largely because of the excessive borrowings of the public sector. The dollar remains weak as we are living off the savings of foreigners.

Finally, our inflation rate, though it has fallen, is still higher than the rates in countries with whom we trade and like to compare ourselves. As a result Australian industry has to start from behind the eight ball to compete in a world just pulling itself out of the recession.

All told, we remain an economy heavily dependent on the rural sector for our prosperity, yet weighed down by the attitudes of unions and governments which are preventing alternative sources of wealth from being developed.

CSO: 4200/420

AUSTRALIA

BRIEFS

HAWKE MEETS FINLAND'S PRESIDENT--President Mauno Koivisto has met the prime minister of Australia, Robert Hawke, in Canberra. The discussions dealt among other things with the present world situation and matters concerning trade. The disarmament talks of the big powers were touched upon briefly. President Koivisto briefed Prime Minister Hawke on Finland's foreign policy and foreign trade. Among the topics discussed were also Finland's relations with her neighbors, Nordic cooperation, and trade policy arrangements. The president's program today included also an excursion into the countryside outside Canberra and a meeting with representatives of the Finnish community. Tomorrow Koivisto and his entourage will fly to (?Hamilton) Island in Queensland. [Text]
[Helsinki Domestic Service in Finnish 0600 GMT 23 Jan 85 LD]

CSO: 3617/62

CAMBODIA

CLANDESTINE RADIOS REPORT BATTLEFIELD ACTIVITIES

Battambang Suburb 'Liberated'

BK200340 (Clandestine) Voice of the National Army of Democratic Kampuchea in
Cambodian 2315 GMT 19 Jan 85

[Excerpt:s] Battambang-Sangke River battlefield: On 15 January, we attacked the populated area of Ta Mim commune in the suburb of Battambang town and swept Vietnamese soldiers from the area along the banks of the Sangke River west of Battambang market. After 30 minutes of fighting, we totally liberated this populated area. We killed two Vietnamese soldiers and wounded two others. We destroyed 1 rice milling machine, 1 paddy storage container containing 500 sacks of paddy and 50 sacks of rice, 1 cloth warehouse containing 100 rolls of cloth, 1 salt warehouse containing 2 metric tons of salt, 1 commune office, 5 trenches, 5 barracks, and some documents and war materiel. We seized 1 carbine, 250 rounds of carbine ammunition, 300 rounds of AK ammunition, 300 rounds of AR-15 ammunition, 2 crates of M-30 ammunition, 1 typewriter, 10 rolls of cloth, and some war materiel. We liberated 17 villages, namely, Phum Khveng, Ampil, Sla Kram Ti Muoy, Sla Kram Ti Pi, O Khcheay, Thmat Pong, Anlung Svay, Khchas, Kompong Chamlang, Buor Khna, (Kompong Sraut), Kompong Sre, (Entrie), Tuol Sralau, Bot Sala, Russei Khne, and (O Pi Daeum).

Kratie battlefield: On 18 January, we attacked a Vietnamese commune office at Prek Saman commune in Chhlong District. We killed or wounded some Vietnamese soldiers; destroyed a commune office; and seized an AR-15. On 16 January, we attacked the Vietnamese commune office at Khsim commune in Snuol District. We killed or wounded some Vietnamese soldiers; destroyed three commune office buildings, a trade service warehouse, two barracks and a bicycle; and seized an AK and some documents and war materiel.

Siem Reap battlefield: On 12 January, we attacked the Vietnamese commune office at Kroch commune in Kralanh District. We killed or wounded some Vietnamese soldiers; destroyed four barracks; and liberated two villages, namely, Phum Khna and Reul.

Samlot battlefield [Battambang Province]: On 15 January, we ambushed and routed a Vietnamese battalion south of Ta Sanh. We killed 30 Vietnamese soldiers and wounded 41 others.

Sisophon-South of Route 5 battlefield [Battambang Province]: On 16 January, we launched a two-pronged attack on the Vietnamese battalion position at Ta Khiev. The first prong was aimed at the Vietnamese position at Ta Khiev and the second prong laid an ambush on the Vietnamese reinforcements from Baoh Bang and Anlung Thma. The fighting proceeded from 0500 in the morning to 1500. As a result, on the first prong we killed 22 Vietnamese soldiers and wounded 15 others. We destroyed a warehouse, three large barracks, eight AK's, four B-40's, and some war materiel. On the second prong, we ambushed a battalion of Vietnamese reinforcements from Baoh Bang and Anlung Thma. We killed 28 Vietnamese soldiers and wounded 35 others. The survivors fled and stepped on our landmines and punji sticks, suffering 31 killed, including 1 regimental commander, and 8 wounded. We destroyed 2 trucks, 66 AK's, 3 B-40's, 1 T-41 radio receiver, and some war materiel.

Battambang battlefield: On 15 January, we attacked and destroyed the northern defense line of Battambang town. We killed six Vietnamese soldiers and wounded eight others. We destroyed 1 60-mm mortar, 2 B-40's, 30 barracks, 22 trenches, 1 telephone set, and some war materiel; and seized 2 AK's, 12 AK magazines, 310 rounds of AK ammunition, and some war materiel.

Battle Reports for 11-17 Jan

BK181325 [Editorial Report] (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian and (Clandestine) Voice of Democratic Kampuchea in Cambodian broadcast the following battle reports during the reporting period 11-17 January:

VONADK at 2315 GMT on 11 January reports that Democratic Kampuchean troops attacked Kanthao commune office in Kompong Trach District, Kampot Province, on 8 January. Three Vietnamese enemy soldiers were killed or wounded and some military materiel was also seized. The same VONADK cast notes that DK forces ambushed a Vietnamese regiment on O Run Mountain, Koh Kong Leu battlefield, on 9 January, killing or wounding 59 Vietnamese enemy soldiers. They destroyed 1 60-mm mortar, 2 B-40's, 47 trenches, and a quantity of military materiel. They also seized some military materiel. The same cast discloses that DK troops attacked a Vietnamese position at Tumnop Ta Moeng, Tram Kak District, Takeo Province, on 6 January, killing or wounding 10 Vietnamese enemy soldiers. They destroyed seven military barracks, seven large trenches, and some military materiel. They also seized 3 AK's, 3 AR-15's, 70 rounds of AK ammunition, 50 rounds of AR-15 ammunition, 10 hand grenades, and some military materiel. The same VONADK cast reveals that from 27 December 1984 to 7 January, DK combatants killed or wounded 132 Vietnamese enemy soldiers on the Sisophon-south of Route 5, Kampot, North Battambang, and Kratie battlefields. They destroyed 26 assorted guns, 3 commune offices, 16 military barracks, 1 Vietnamese expert's house, 7 large trenches, 47 small trenches, 2 rice milling machines, 1 paddy storehouse containing 10,000 sacks of paddy, and a quantity of military materiel. They seized 8 guns, 10 hand grenades, 1 map, 1 pump, 1 motorcycle, and some ammunition and military materiel. They liberated six villages in Kompong Cham Province, five villages in Kratie Province, and four others on the Sisophon-south of Route 5 battlefield.

According to VONADK at 2315 GMT on 12 January, DK forces killed or wounded 116 Vietnamese enemy soldiers on the Kompong Thom, Preah Vihear, Mak Hoeun, and South Sisophon battlefields between 28 December and 9 January. They destroyed 7 commune offices, 1 company position, 2 trucks, 1 rice storehouse, 1 bridge, 100 trenches, 12 barracks, and some ammunition and war materiel. They also destroyed or liberated 1 district seat, 23 villages on the Kompong Cham battlefield, and 15 villages on the Kompong Thom battlefield.

VONADK at 2315 GMT on 13 January states that from 4 to 10 January, DK forces killed or wounded 236 Vietnamese enemy soldiers on the Leach, Pailin-Route 10, MOUNG, Pursat, and South Sisophon battlefields. They destroyed 28 assorted weapons, 16 barracks, 18 trenches, 3 commune offices, 1 truck, 784 meters of railway track, and some ammunition and war materiel. They seized 10 weapons and some ammunition and war materiel. They also liberated 12 villages in Cheung Prey District of Kompong Cham Province, 4 villages on the Siem Reap battlefield, and 1 Vietnamese company position on the Leach battlefield.

VONADK at 2315 GMT on 14 January reveals that between 2 and 10 January, DK forces killed or wounded 176 Vietnamese enemy soldiers on the South Sisophon, Preah Vihear, Samlot, and MOUNG-Pursat battlefields. They destroyed 38 weapons, 2 radios, 2 trucks, 3 barracks, and 800 meters of railroad tracks. They also seized some ammunition and materiel.

According to VODK at 2330 GMT on 14 January, between 4 and 10 January, DK forces killed or wounded 236 Vietnamese soldiers on the Southwest, Leach, MOUNG, Pursat, South Sisophon, and Pailin-Route 10 battlefields. They destroyed 26 weapons, 1 truck, 18 trenches, 16 barracks, 1 commune office, and 600 meters of railroad track. They seized some ammunition and weapons. They also liberated 16 villages in Cheung Prey District, Kompong Cham Province.

VONADK at 2315 GMT on 15 January notes that between 27 December and 5 January, DK troops killed or wounded 261 Vietnamese enemy soldiers on the North Sisophon and Kompong Thom battlefields. They destroyed 93 weapons, 22 barracks, 173 trenches, 1,112 meters of railroad track, 2 commune offices, 1 C-25 radio, 1 T-54 tank, 1 truck, 1 boat, 2 tractors, 3 rice mills, 1 generator, and some materiel. They seized 10 weapons, 32 hand grenades, and some materiel. They also liberated some Vietnamese positions, 10 villages on the North Sisophon battlefield, 5 villages on the North Battambang battlefield, and 2 villages on the Kratie battlefield.

According to VODK at 2330 GMT on 15 January, DK forces killed or wounded 176 Vietnamese enemy soldiers on the MOUNG-Pursat, Samlot, South Sisophon, and Choam Khsan battlefields between 2 and 10 January. They also destroyed 37 weapons, 3 trucks, 2 C-25 radios, 800 meters of railroad track, and some materiel.

VONADK at 2315 GMT on 16 January discloses that DK combatants attacked and destroyed three Vietnamese positions on the Kamping Pouy battlefield,

Battambang Province, on 14 January. They killed 107 Vietnamese enemy soldiers and wounded 200 others. They destroyed 160 assorted guns, 150 large trenches, 100 small military barracks, 80 large barracks, 3 medicine storehouses, 2 ammunition storehouses, 1 rice warehouse, 1 materiel warehouse, 2 telephones, 2 C-25 radios, and 1 projector. They also seized 32 assorted weapons, 20 crates of AK ammunition, 30 B-40 rockets, 25 B-41 rockets, 40 mines, 50 grenades, 15 sets of clothes, 30 pairs of shoes, 30 rucksacks, 2 maps, 550 meters of telephone wire, and 56 belts. The same cast reports that DK troops attacked and liberated Rumlong township on Route 6, Baray District, Kompong Thom Province, on 10 January. They killed or wounded 14 Vietnamese enemy soldiers, destroyed 1 materiel storehouse, and seized 6 rolls of cloth and some materiel. DK troops attacked and destroyed Trach Tong commune office, Oudong District, Kompong Thom Province, on 4 January. Two Vietnamese enemy soldiers were killed and a number of them were wounded; 3 AK's, 1 commune office, and 20 sacks of rice were destroyed; and some materiel was seized. DK combatants attacked and destroyed Prey Khnang commune office, Kampot District, Kampot Province, on 12 January. A Vietnamese soldier was killed and another wounded. On 13 January, land mines in the same area killed or wounded two Vietnamese soldiers. DK troops also cut 500 meters of telephone wire. The same cast notes that DK troops ambushed a Vietnamese company in Tnaot Chum commune, Kompong Thom Province, on 28 December 1984, killing or wounding 6 Vietnamese soldiers and seizing 2 AK's, 550 rounds of AK ammunition, 4 B-40 rockets, 12 AK magazines, and some materiel. DK combatants attacked a Vietnamese position at Tuol Prha on Route 6, Kompong Thom Province, on 28 December 1984, killing or wounding 22 Vietnamese enemy soldiers and destroying 5 AK's, 1 B-40, 1 M-79, 3 military barracks, and some military materiel. The same VONADK cast discloses that DK troops attacked a Vietnamese platoon position at Mlich, Krang Snay commune, Kampot Province, on 13 January, killing or wounding eight Vietnamese soldiers and destroying seven barracks and some military materiel. DK troops attacked a Vietnamese position on Route 5 between Mongkolborei and Sisophon, Battambang Province, on 12 January, killing or wounding 12 Vietnamese soldiers, and destroying 1 bridge, 6 trenches, 6 military barracks and some military materiel. The same VONADK cast reveals that from 28 December 1984 to 13 January, DK troops killed or wounded 571 Vietnamese enemy soldiers on the Pailin-Route 10, Sisophon-south of Route 5, Koh Kong Leu, Kampot, Sisophon-north of Route 5, Samlot, Kratie, and Kompong Cham battlefields. Among those killed were a battalion commander and two company leaders. DK combatants destroyed 173 assorted guns, 3 medicine storehouses, 2 ammunition depots, 1 rice storehouse, 2 military materiel warehouses, 2 commune offices, 2 C-25 radios, 2 telephones, 156 trenches, 201 military barracks, 3 motorboats, 1 truck, 1 bridge, and some ammunition and military materiel. They seized 45 assorted weapons, 1 boat engine, 6 rolls of cloth, 7 maps, and some ammunition and military materiel. They also liberated 7 villages on the Kratie battlefield.

VONADK at 2315 GMT on 17 January reports that on 20 December 1984, DK troops attacked Sre Russei commune office, Thalabarivat District, Stung Treng Province. They killed an enemy soldier; wounded another; and destroyed a commune office, a military barracks, and some military materiel. They seized an AK and liberated two villages: Sre Russei and Anlung Kramuon.

According to the same VONADK cast from 3 to 15 January, DK troops killed or wounded 215 Vietnamese enemy soldiers on the Sisophon-south of Route 5, Samlot, Koh Kong Leu, Kompong Thon, and Chhep battlefields. They destroyed 25 assorted guns, 6 military barracks; 30 trenches; 8 commune offices; 1 T-63 tank; 1 cannon; 1 C-25 radio; 3 rice milling machines; 2 warehouses; 1 rice storehouse; 200 sacks of paddy; 30 sacks of rice; and some guns, ammunition, and military materiel. They seized 15 guns, 13 grenades, 1 map, 1 typewriter, 5 sacks of rice, and some ammunition and materiel. They also liberated 6 villages in Stung Treng Province, 16 villages in Kompong Cham Province, and 4 others on the Sisophon-south of Route 5 battlefield.

According to VODK at 2330 GMT on 17 January, DK troops on the Kandal, Kompong Speu, Pailin-Route 10, Sisophon-south of Route 5, Sisophon-north of Route 5, and Kompong Thon battlefields killed or wounded 218 Vietnamese enemy soldiers. Among those killed was a battalion commander. DK combatants destroyed 3 trucks, 2 rice milling machines, 1 paddy storehouse, 15 military barracks, and some weapons and military materiel and cut 1 bridge. They also seized a quantity of weapons, ammunition, and military materiel.

3 Kompong Cham Villages 'Liberated'

BK181017 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 17 Jan 85

[Text] On 13 January, we successfully attacked a Vietnamese commune office in Thmar Pun in Prey Chhor District, Kompong Cham Province. We killed a Vietnamese enemy soldier and wounded two others. We destroyed 1 commune office, 1 warehouse, 5 barracks, 10 trenches, 10 sacks of rice, 50 sacks of paddy, 2 ricemills, and some documents and war materiel. We seized a carbine, an SKS, and an M-36 rifle. We liberated three villages: Thmar Pun, Andong Phdao, and Tuol Thmar.

Villages 'Liberated' in Kompong Cham

BK181114 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 17 Jan 85

[Text] On 14 January, we attacked a Vietnamese commune office at Baray in Prey Chhor District, Kompong Cham Province. After a 15-minute battle, we completely liberated this commune office. We killed two Vietnamese enemy soldiers and wounded three others. We destroyed 2 commune office buildings, 5 military structures, 15 trenches, a paddy warehouse containing 150 sacks of paddy, 20 sacks of rice, a 300-horsepower ricemill, 5 cans of engine oil, and 1 warehouse. We seized a map, five sacks of rice, and some war materiel. We completely liberated Baray village and another 13 villages: (Prey Khcheay), (Po Chambak), Trapeang Beng, Rong Khsach, Trapeang Bei, Preah Rumdeng, O Kambao, Kouk Sralao, ROUNG KOU, Vat Chas, (Reang Chruk), Sanlak Cheung, and Samnak Tbong.

4 Villages 'Liberated' in Stung Treng

BK181132 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 17 Jan 85

[Text] On 30 December, we attacked a Vietnamese commune office at (O Ral) in Thalabarivat District [Stung Treng Province]. We killed or wounded a number of Vietnamese enemy soldiers. We destroyed a commune office and liberated four villages: (O Ral), (Kang Ta Lou), Pong Toek Kraom, and (Krang Chan).

4 Villages 'Liberated' in Battambang

BK181124 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 17 Jan 85

[Text] On 13 January, we attacked a Vietnamese position at Khnach Romeas in Bavel District [Battambang Province]. After a 15-minute battle, we killed a Vietnamese enemy soldier and wounded two others. We destroyed an AK, two trenches, and some materiel. We liberated four villages: Khnach Romeas, O Ta Phok, Don Euv, and Chang Rang.

10 Kompong Thom Villages 'Liberated'

BK191004 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 18 Jan 85

[Text] We attacked the Vietnamese enemy's commune offices at Baray and Treal communes, Baray District, Kompong Thom Province, on 14 January. We killed or wounded a number of Vietnamese enemy soldiers; destroyed a rice milling machine, a paddy storehouse containing 100 sacks of paddy, 50 sacks of rice, a motorcycle, and a quantity of military materiel; and seized 13 AK's, 160 rounds of AK ammunition, and some military materiel.

We liberated 10 villages, 3 in Baray commune--Chi Aok, Svay, and Tralaok--and 7 in Treal commune: Krayat, Kamchay, Pneu, Tnaot, Angkor Neang, Pou, and (Sakao Buon).

5 Kratie Villages 'Liberated'

BK190942 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 18 Jan 85

[Text] We attacked the Vietnamese enemy's commune office at Chambak commune and a Vietnamese company position at Chrouy Ampil, Prek Prasap District, Kratie Province, on 14 January. In 30 minutes of fighting, we killed 5 Vietnamese enemy soldiers and wounded 7 others; destroyed 3 AK's, a Goryunov, a commune office, a company command post, 3 military barracks, and a quantity of military materiel; seized an SKS and some military materiel; and liberated 5 villages: Chrouy Thmar, Chrouy Ampil, Chambak, Kandal, and Chambak Kraom. We also completely liberated the Vietnamese enemy's company position at Chrouy Ampil.

VONADK: SRV Poisoning Water in Kratie

BK191005 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 18 Jan 85

[Text] The Vietnamese enemy poisoned the water and fruits in Dei Dos village and (Pranak) monastery, Prek Prasap District, Kratie Province, on 1 and 3 January, killing a villager and three monks.

The Vietnamese enemy aggressors have intensified their activities in using poisons to massacre our people in accordance with their goal of eliminating our race. Our people are very angry with these activities of the Vietnamese enemy. Our compatriots agree that the only way is to unite and wage a struggle against the Vietnamese enemy aggressors until they are all driven out of our fatherland.

Vietnamese Rob, Kill in Phnom Penh

BK210600 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 20 Jan 85

[Text] On 10, 16, 17, and 23 December in the Phnom Penh areas of Khbal Thnal, the independence monument, Phsa Daeun Ko, and Phsa O Russei, the Vietnamese enemy robbed our people of their meager amounts of money and property and then killed them. This is the true brutal, barbarous, and fascist nature of the Vietnamese bandits and aggressors in Cambodia.

SRV Battalion Position Overrun

BK220649 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 21 Jan 85

[Text] On 19 January, we attacked a Vietnamese battalion position at the crossroad north of O Sla on Koh Kong Leu battlefield. We killed 47 Vietnamese soldiers and wounded 56 others. We destroyed 1 60-mm mortar, 4 B-40's, 2 RPD's, 33 AK's, 39 trenches, and some war materiel; seized 2 AK's, 1 B-40, 60 B-40 rockets, 8 crates of AK ammunition, 30 hand grenades, 11 rucksacks, 7 hammocks, and some war materiel; and liberated this position.

4 Villages in Kompong Thom 'Liberated'

BK220655 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 21 Jan 85

[Text] On the night of 17 January, we attacked a Vietnamese platoon position in Phum Trapeang Svay along Route 6 in Baray District of Kompong Thom Province. We killed four Vietnamese soldiers and wounded seven others. We destroyed 1 B-40, 1 B-41, 6 AK's, and 10 trenches; seized 1 AK, 2 AR-15's, 120 rounds of AK ammunition, and some war materiel; and liberated 4 villages--Phum Trapeang Svay, Thmei, Banteay Chas, and Samraong.

Vietnamese Burn Kompong Speu Paddy

BK220725 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
21 Jan 85

[Text] The Vietnamese enemy burned down 5 hectares of our people's paddy in Anleang commune, Thpong District, Kompong Speu Province, on 15 December.

At present, the Vietnamese enemy aggressors have increased their oppression of our people in their temporarily controlled zones. They have robbed our people of their belongings, money, gold, silver, rice, and paddy every day. Concurrently, they have burned the paddy and other crops that our people had planted. The Vietnamese enemy have done so to weaken our people until they can no longer struggle against them. On the other hand, they want to starve our people.

Facing these criminal, savage, and barbarous acts of the Vietnamese enemy aggressors, our people have clearly realized that it is necessary to unite and to cooperate with the National Army and guerrillas of Democratic Kampuchea to fight the Vietnamese enemy aggressors until they are all driven out of our Cambodian territory, thereby ending our people's suffering. Our people are determined to struggle against the Vietnamese enemy aggressors until they score the final victory--the complete liberation of our Cambodian territory.

10 Kompong Cham Villages 'Liberated'

BK220735 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 21 Jan 85

[Text] On 17 January, our National Army and guerrillas attacked the Prek Kak commune office located in Meakh village, Stoeng Trang District, Kompong Cham Province. After 15 minutes of fighting, we killed two Vietnamese soldiers and wounded three others. We destroyed 1 commune office, 2 warehouses containing 100 sacks of paddy and 10 sacks of rice, and 1 300-hp rice milling machine. We liberated 10 villages; namely, Meakh Leu, Meakh Kraom, O Pram, Prek Kak Leu, Prek Kak Kraom, Tuol Po, (Preah Tnaot Ta Sai Leu), (Preah Tnaot Ta Sai Kraom), (Chrek Prang), and Boeng Kanchot. We also released and sent home 150 inhabitants who had been forced to clear brush for the Vietnamese.

7 Villages 'Liberated'

BK230415 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 22 Jan 85

[Text] Our Democratic Kampuchean National Army and guerrillas attacked and destroyed Boeng Nay commune office, Prey Chhor District, Kompong Cham Province, on the night of 18 January. After 10 minutes of fighting, we completely liberated the commune office. We killed a Vietnamese enemy soldier and wounded two others. We destroyed 1 commune office, 4 trenches,

20 sacks of paddy, 2 rice milling machines, 1 7-meter bridge at Phsar Neakta Snoeng on Route 84. We liberated three villages: Neakta Snoeng, Tuol Khvang, and Boeng Nay.

Meanwhile, we attacked another enemy commune office at Kroch in the same district. After 5 minutes of fighting, we completely liberated this commune office. We killed and wounded a number of Vietnamese enemy soldiers. We destroyed the commune office and a quantity of military materiel. We seized a map and some military materiel. We liberated four villages: Kroch, Krasang Ta Mang, Prey Kak, and Poun.

5 Villages 'Liberated'

BK230419 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 22 Jan 85

[Text] Our Democratic Kampuchean National Army and guerrillas attacked the Vietnamese enemy's commune office in Andong Pou commune, Baray District, Kompong Thom Province, on the night of 17 January. We killed five Vietnamese enemy soldiers and wounded five others. We destroyed 2 buildings of the commune office, 15 trenches, and cut a 3-meter bridge. We liberated five villages: Pou, Chrak Chamka, Tani, Bek Chan, and Thmei.

CSO: 4212/36

CAMBODIA

VODK ON SRV CONTROL OVER PHNOM PENH 'PUPPETS'

BK171656 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
15 Jan 85

[Station commentary: "Running Dogs and Puppets in Phnom Penh Are Lackeys of the Vietnamese and Are Neither State Authorities Nor a Regime"]

[Text] Currently, the Hanoi Vietnamese enemy aggressors are noisily promoting their Phnom Penh puppets and running dogs. They say that their Phnom Penh puppets have been strengthened to a certain degree, that their puppet forces are half in control of the situation in the country, and so on. This Hanoi Vietnamese enemy aggressor propaganda has really made people laugh. The international community know and realized long ago that these running dogs and lackeys of the Vietnamese in Phnom Penh are neither state authorities nor a regime; they are just a smokescreen for covering up the Vietnamese act of aggression in Cambodia.

As the spokesman of the Thai Foreign Ministry, Sawanit Khongsiri, said on 11 January that the fact that Vietnamese officers held talks with their Thai counterparts along the Thai-Cambodian border shows that the Phnom Penh puppet forces did not participate in the attacks, backed by tanks, of the Vietnamese against the Ampil camp. The Vietnamese actions in Cambodia and their frequent incursions and violations of the Thai border show that Cambodia is under Vietnam's control, not that of the Heng Samrin puppets.

It is true that the Phnom Penh puppets are just shadows of the more than 250,000 Vietnamese aggressor soldiers in Cambodia. They survive today only because of the constant protection offered by more than 250,000 Vietnamese aggressor troops. These puppets and running dogs of the Vietnamese in Phnom Penh know nothing and have no rights at all in deciding state affairs. They are just stooges or puppets merely waiting to obey and implement Vietnamese orders. All kinds of state affairs--from top to bottom, whether military, political, economic, cultural, or even security in nature--are directed and managed by the Vietnamese. In every ministry and service in Phnom Penh, the Vietnamese are in full control. All circulars are issued from Hanoi. (Sek Yun), an important official of the Phnom Penh puppets and former deputy director of the Vietnamese school for political education and propaganda in Phnom Penh and who defected to Thailand, said every decision--from central to the lowest level of the administration--

was made by the Vietnamese. A number of the high-ranking puppet officials are married to Vietnamese women, and the latter meet once a week to report their husbands' activities to the Vietnamese. The Vietnamese also control and administer other localities, including villages and communes.

This is why the Vietnamese are daily plundering, arresting, and massacring our people. The puppets and running dogs dare not and have no right to protest. In sum, it is the Hanoi Vietnamese enemy aggressors who are in control in Cambodia. As for the Phnom Penh puppets, they have neither the competence nor the right to decide Cambodian state affairs. Therefore, the Hanoi Vietnamese propaganda saying that the Vietnamese will withdraw their forces from Cambodia once their running dogs and puppets in Phnom Penh are in full control of the situation is just a lie. For in truth, the Phnom Penh puppets are neither a regime nor a force. No number of centuries--let alone 5, 10, or 20 years--will be enough time for these puppets to grow strong enough to be in charge.

The Hanoi Vietnamese propaganda confirms that Vietnam is not willing to withdraw its aggressor forces from Cambodia in accordance with the UN resolutions. It persists in stubbornly occupying Cambodia. So, in Cambodia there are only two parties to the conflict: On the one hand are the Vietnamese aggressors, territorial annexationists, and race exterminators; and on the other, all the Cambodian resistance forces and the entire Cambodian people under the CGDK leadership. Therefore, there is no question of holding talks to negotiate or bargain with the Hanoi Vietnamese who are expansionists, aggressors, and territorial annexationists. The Vietnamese, aggressors in Cambodia in violation of international law and the UN Charter, should withdraw all their forces from Cambodia. This is a question of principle that Vietnam--also a member of the United Nations--should absolutely respect.

However, the Vietnamese enemy aggressors are very stubborn. Unless they are beaten, bogged down, and soundly defeated, they are not going to withdraw from Cambodia. The Cambodian people are only too well aware of this point. Therefore, the entire Cambodian people, the Democratic Kampuchean National Army, all the Cambodian resistance forces, and the CGDK have only one choice: to unite and increase their close cooperation in fighting the Vietnamese enemy aggressors on the battlefield, to unite with the forces of all countries of the region and all peace- and justice-loving forces the world over, and to struggle more vigorously in every way against the Vietnamese enemy aggressors until they are compelled to withdraw all their aggressor forces from Cambodia as prescribed by the UN resolutions.

CSO: 4212/36

CAMBODIA

VODK EDITORIAL HAILS DK ARMY ANNIVERSARY

BK180709 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
16 Jan 85

[Station editorial: "We Acclaim the 17th Founding Anniversary of Our National Army of Democratic Kampuchea in a Firm Determination To Fight the Vietnamese Enemy Aggressors for the Liberation of Our Cambodian Nation, Territory, and Race"]

[Text] Today, 17 January 1985, is the 17th founding anniversary of our National Army of Democratic Kampuchea. This year, our entire Cambodian nation, people, and cadres--male and female combatants of our national army and guerrillas of Democratic Kampuchea on all battlefields throughout the country, in all ministries, offices, and localities in the country--are celebrating the 17th founding anniversary of our National Army of Democratic Kampuchea in a good situation in which their struggle is advancing against the Vietnamese enemy aggressors, expansionists, swallows of territory, and race exterminators. We can ensure that this stage of our struggle is an important turning point for the defense of our nation and race. The reports of our national army and guerrillas defeating the first stage of the Vietnamese enemy aggressors' offensive at the beginning of this seventh dry season resounded. These victories have made the 17th founding anniversary of our National Army of Democratic Kampuchea more important.

Our National Army of Democratic Kampuchea was born of our people. It has a tradition of valiantly and courageously struggling. It was founded, strengthened, and developed in the fire of struggle against the enemies of our nation and people, always for the defense of our nation and people. It has served our nation and people. In this period when our beloved Cambodian fatherland has been occupied by the Vietnamese enemy aggressors and when the Cambodian people have been massacred by these aggressors every day, our national army and guerrillas of Democratic Kampuchea have continued to raise high the banner of struggle against them. Our national army and guerrillas of Democratic Kampuchea have shared weal and woe with the people as water and fish. They have struggled against the Vietnamese enemy aggressors for the defense and survival of the Cambodian nation, people, and race.

The Vietnamese enemy has more than 50 million inhabitants. It has over 1.5 million soldiers. Vietnam boasted that its army is the third strongest army

in the world, and they sent over 250,000 soldiers to attack our Democratic Kampuchea in 1979 in violation of the principle of international law, the UN Charter, and basic Nonaligned Movement principles. They attacked our country with the Soviet Union's backing. The Soviet Union sent many tanks, artillery pieces, and ammunition to supply the Vietnamese in their offensive. At that time, the Vietnamese enemy aggressors thought that they could subdue and swallow Cambodia--a small country with a small population--in a short period of time.

Our national army and guerrillas of Democratic Kampuchea, with their lofty patriotic spirit and love for their people, nation, and race, have raised high their banner of struggle, which is their splendid tradition. They are determined to wage a strong fight against the Vietnamese enemy aggressors in order to defend our nation, people, and race so that the aggressors will not be able to swallow our country. Our comrades-in-arms have closely united with our people throughout the country. They have waged a guerrilla war against the Vietnamese enemy aggressors in a very difficult situation in which they lack everything. Although the Vietnamese enemy aggressors had the upper hands in manpower and weapons; and although they were savage, burned our fatherland and massacred our people with all their means, such as with their weapons, famine, and toxic chemicals, the comrades-in-arms of our national army and guerrillas of Democratic Kampuchea have made every effort to overcome all difficulties and to fight a guerrilla war against the aggressors. Our comrades-in-arms have inflicted severe casualties on the Vietnamese enemy aggressors, while defending their forces well. They have steadily strengthened and developed their forces, changing that dark situation into a better one, as at present.

We are entering the seventh dry season of our struggle against the Vietnamese enemy aggressors, expansionists, swallows of territory, and race exterminators. In this dry season, the Vietnamese enemy aggressors are bogged down and are being seriously defeated. The Vietnamese forces gathered to attack Phnom Penh in 1979 seemed to be very strong. Later on, these forces were scattered in order to fight our guerrillas. Now, the Vietnamese enemy aggressors are forced by our national army and guerrillas of Democratic Kampuchea to gather in various areas. Our national army and guerrillas have initiated attacks against the Vietnamese enemy aggressors. Our combatants have fought the aggressors on the western Kampuchea battlefield and the battlefield around the Tonle Sap in conformity with the principle: "Offense through defense; defense through offense." Our national army and guerrillas of Democratic Kampuchea have actively implemented the five methods of fighting. They have launched many attacks and have mastered the battlefields. They have inflicted serious casualties on the Vietnamese enemy aggressors. They have pinned the aggressors down and have attacked the aggressors' supply lines--roads, waterways, and railroads. They have attacked the Vietnamese enemy's communes and ambushed the aggressors. They have waged a guerrilla warfare with all their means, successively attacking the Vietnamese enemy aggressors' small positions. Our army and guerrillas have scientifically organized their forces, weapons, and ammunition to match the real situation on the battlefield. Our forces and the Vietnamese enemy forces have fiercely fought one another. Our

national army and guerrillas have been able to resist the Vietnamese enemy's offensives. Furthermore, we have been able to defeat them, smashing the first stage of the Vietnamese enemy's offensive in this dry season. Therefore, we see that there is no chance of our being defeated and there is no chance of there being a draw in our struggle against the Vietnamese enemy aggressors. We will definitely win against the Vietnamese enemy aggressors.

All these victories are due to our national army and guerrillas of Democratic Kampuchea, who have struggled valiantly and courageously with a high patriotic spirit. This valiant and courageous struggle by our national army and guerrillas is the fulfillment of their national and historical task. On the other hand, this struggle is a contribution of the flesh and blood of our combatants for the defense of peace and stability throughout Southeast Asia, for the defense of international law, nonaligned principles, and the UN Charter which conform with the sacred wish of the Cambodian nation and people and that of the peoples in the region and in the world.

On the solemn occasion of the 17th founding anniversary of our National Army of Democratic Kampuchea, the entire Cambodian nation and people would like to present their best wishes to the comrades-in-arms of our national army and guerrillas of Democratic Kampuchea who have struggled against the Vietnamese enemy aggressors on all battlefields throughout the country. May the comrades-in-arms enjoy the best of health and always remain energetic. May the comrades-in-arms score many more great victories, one after another, until we obtain the final victory over the Vietnamese enemy aggressors, expansionists, and race exterminators--that is, until the Vietnamese enemy aggressors are all driven out of our beloved Cambodian fatherland.

CSO: 4212/36

CAMBODIA

PRK-SRV FORCES ATTACK 'BANDITS' NEAR THAI BORDER

BK181252 Phnom Penh Domestic Service in Cambodian 1200 GMT 17 Jan 85

[Excerpt] Early in January 1985 a large combined contingent of bandits stationed in an area northwest of Trapeang Kol [Oddar Meanchey Province] was engaged by the Kampuchean Revolutionary Army in cooperation with the friendly Vietnamese army volunteers responsible for the region. Our forces launched a heavy attack and completely captured the area. After 12 hours of fighting, we killed hundreds of bandits on the spot and captured more than 100 others. We seized hundreds of assorted guns, 170 metric tons of ammunition, 9 trucks, and 40 metric tons of rice and other foodstuffs.

Also at the beginning of January, a contingent of the 5th Regiment, "C" Brigade, in cooperation with another contingent of "E" Brigade of the Vietnamese volunteer army, with a high sense of heroism and upholding the spirit of secrecy, attacked and destroyed a Sereika bandit position located 5 km west of Srange [Battambang]. According to an initial report, at about 0900 the same day, the forces of the bandits were forced to abandon their camp and fled back to Thai territory, leaving behind hundreds of bodies on the spot. We seized more than 100 assorted guns and 1 truck.

On 6 January, the Chamka Srov area--a bandit hideout--came under an attack by a combined contingent of Kampuchean Revolutionary Army and Vietnamese volunteer army. Following the battle, we took control of the area and found out that 60 bandits were killed after a body count. We also seized 89 assorted guns and destroyed an enemy ammunition dump.

CSO: 4212/36

CAMBODIA

VODK CONDEMNS SRV CALL FOR MEDIATED SETTLEMENT

BK181249 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
17 Jan 85

[Station commentary: "The Cambodian Question Can Be Settled Only When Vietnam Withdraws All Its Troops From Cambodia in Accordance With the UN Resolutions"]

[Text] According to diplomatic sources in Hanoi, during his meeting with Swedish Foreign Minister Lennart Bodstrom, Hanoi Foreign Minister Nguyen Co Thach appealed to Sweden to help find a solution for the Cambodian question. According to the same sources, Sweden refused to mediate.

While the Vietnamese enemy aggressors are sending an endless stream of additional troops and arms to Cambodia and are stepping up the massacre of the Cambodian people both in the interior of Cambodia and in the refugee camps along the Cambodian-Thai border, launching a savage offensive that has brought about worldwide negative reaction, Nguyen Co Thach in Hanoi pretended to appeal to Sweden to help settle the question of war in Cambodia, feigning a strong desire for peace or a need to resolve the Cambodian problem. However, Nguyen Co Thach did not mention the UN resolutions, which urge Vietnam to withdraw all its aggressor troops from Cambodia in order to solve the Cambodian question peacefully. Nguyen Co Thach wants a Cambodian solution that will allow Vietnam to continue its aggression against and occupation of Cambodia and to incorporate Cambodia into its stinking Indochina Federation. For this reason, so far Vietnam has been working hard to persuade other countries to mediate and help resolve the Cambodian question according to its criminal intention of making the world accept the fait accompli of its aggression against and occupation of Cambodia.

However, the world has persistently refused to accept such a deceptive solution as that proposed by Vietnam. The Cambodian question stems from the invasion and occupation of Cambodia by hundreds of thousands of Vietnamese troops who are daily massacring the Cambodian people in the most savage and cruel manner, forcing hundreds of thousands of Cambodians to flee the country and take refuge throughout the world, particularly in Thailand. The Cambodian question can be resolved only when Vietnam withdraws all its troops from Cambodia. The way to settle the Cambodian question is clearly defined in the annual UN resolutions and in the 1981 declaration of the International

Conference on Cambodia, which called on Vietnam to withdraw all its aggressor forces from Cambodia and respect the right of the Cambodian people to decide their own destiny without interference.

This solution is the only good and correct one, representing the will of the majority of countries and peoples in the world and according with the desire of the Cambodian and Vietnamese peoples.

However, up to the present, the Cambodian question has remained unsettled because Vietnam has refused to withdraw its aggressor troops from Cambodia. So far, the UN General Assembly has adopted six consecutive resolutions in the past 6 years demanding that Vietnam withdraw all its troops from Cambodia. As for the international community, it has also earnestly demanded and has brought united pressure to bear on Vietnam to force it to abide by the UN resolutions. But Vietnam has consistently refused to abide by the UN resolutions and to listen to the call of the world. On the contrary, it has instead continued to step up its war of aggression in Cambodia and to slaughter and exterminate Cambodians in a most savage and cruel manner every day. For this reason, the Cambodian question has remained unsettled. If Vietnam refuses to withdraw its troops from Cambodia, even 10 mediators will not be able to settle this question. Therefore, Nguyen Co Thach's pretense of calling for Sweden's assistance to settle the Cambodian question or for its acceptance of the role of the so-called mediator is merely, on the one hand, a trick to cover up Vietnam's crimes of massacring the Cambodians both in the interior of the country and along the border--crimes which have been opposed and condemned most vociferously by the world--and, on the other hand, a sign that Vietnam is not complying with the UN resolutions, the 1981 declaration of the International Conference on Cambodia, or any world opinion. Vietnam is continuing to seek tricks, stratagems, and maneuvers to avoid withdrawing troops from Cambodia and to carry on its war of occupation in Cambodia forever.

This clearly shows to the world that Vietnam does not want to settle the Cambodian question peacefully.

In the face of every conceivable trick of the stubbornness, and of the arrogance of the Vietnamese enemy aggressors, all peace- and justice-loving countries in the world clearly realize the need to continue bringing constantly united and multiform pressure to bear on the Hanoi authorities and to continue supporting and assisting the Cambodian people's struggle in order to force Vietnam to withdraw all its aggressor troops from Cambodia in accordance with the UN resolutions.

As for the Cambodian people, the National Army of Democratic Kampuchea and all resistance forces under the leadership of the CGDK also have only one option: to continue strengthening unity and holding aloft the banner of struggle against the Vietnamese enemy aggressors more vigorously everywhere, causing more serious setbacks and difficulties to the Vietnamese aggressors and making them sink more inextricably into the quagmire until they can no longer endure their predicament and are forced to pull their last man out of our country.

CSO: 4212/36

CAMBODIA

BOU THANG GREET'S NEW CSSR DEFENSE MINISTER

BK200904 Phnom Penh Domestic Service in Cambodian 1200 GMT 19 Jan 85

[Message from PRK National Defense Minister Bou Thang to CSSR General Miloslav Blahník on his appointment as CSSR defense minister--date not given]

[Text] Dear Comrade Minister:

We have the great honor and elation to extend to you most sincere congratulations on the occasion that the party and government have elected you defense minister of the CSSR. We are convinced that the relations of friendship, solidarity, and cooperation between our two peoples and armies will further strengthen and develop in the common interests of our two peoples and armies--that is, peace and Marxist-Leninist socialism.

We wish you good health, long life, and splendid success in your tasks. Please accept our highest regards.

CSO: 4212/36

CAMBODIA

BOU THANG, OTHER LEADERS CONDOLE CSSR DEFENSE MINISTER'S DEATH

Bou Thang Message

BK200854 Phnom Penh Domestic Service in Cambodian 1200 GMT 19 Jan 85

[Text] Upon hearing that Comrade General Martin Dzur, member of the Communist Party of Czechoslovakia Central Committee and minister of national defense, died on 15 January, Comrade Bou Thang, PRK minister of national defense, sent a message of condolences to Comrade General Miloslav Blahnik, CSSR minister of national defense. The message of condolences says, among other things:

We are very sad to hear the news that Comrade General Martin Dzur, member of the Communist Party of Czechoslovakia Central Committee and minister of national defense, died on 15 January.

On behalf of cadres and combatants of the KPRAF and in my own name, I extend to you and the entire Czechoslovak People's Army most grievous and regrettable feelings.

Comrade General Martin Dzur was an outstanding leader of the Czechoslovak People's Army and a valiant combatant who fought and worked tirelessly to strengthen the Warsaw Alliance for the defense of socialism and world peace. We will always treasure his benefactions for the PRK. To the Cambodian people and KPRAF, Comrade Martin Dzur was the closest comrade-in-arms. All his life, Comrade Martin Dzur made every effort to strengthen the friendship, solidarity, and all-round cooperation between the PRK and the CSSR, particularly the friendship and solidarity between the Cambodian and Czechoslovak Armies. The death of Comrade General Martin Dzur is a great loss not only for the Czechoslovak party, state, people, and army, but also for progressive and peace-loving people in the world as well as the Cambodian people and KPRAF.

We would like to express our regret and share in mourning his death with the Czechoslovak party, government, people, and army as well as his family.

Please accept our deep condolences.

More Condolences

BK200910 Phnom Penh Domestic Service in Cambodian 0430 GMT 20 Jan 85

[Message of condolences from Heng Samrin, KPRP Central Committee general secretary and PRK Council of State chairman, and Hun Sen, KPRP Central Committee Political Bureau member and PRK Council of Ministers chairman, to Gustav Husak, general secretary of Communist Party of Czechoslovak Central Committee and chairman of CSSR Council of State, and Lubumir Strougal, Central Committee Political Bureau member and premier of CSSR--date not given]

[Text] We are deeply aggrieved to learn of the death of Comrade Martin Dzur, member of the Czechoslovak Communist Party Central Committee and minister of national defense of the CSSR.

Comrade Martin Dzur was an outstanding son of the Czechoslovak people and a tireless militant of the glorious internationalist duty fighting for the consolidation of the fraternal strategic relations between the Czechoslovak Armed Forces and the Warsaw Treaty forces for progress and world peace. The death of Comrade Martin Dzur is a loss not only for the Czechoslovak people, but also for the Cambodian people and the peace-loving progressive peoples.

Comrade Martin Dzur, one of the Cambodian people's best friends, made a great contribution to the strengthening of solidarity and friendship between the CSSR and the PRK. On behalf of the KPRP Central Committee, the Council of State and Council of Ministers of the PRK, and all Cambodian fighters and people, we would like to express our deepest condolences to the Central Committee of the Czechoslovak Communist Party, the Government of the CSSR, the Czechoslovak people, and the bereaved family.

CSO: 4212/36

CAMBODIA

EDITORIAL HAILS 'SPECIAL FRIENDSHIP' WITH SRV

BK201122 Phnom Penh Domestic Service in Cambodian 2300 GMT 19 Jan 85

[Station editorial: "The Cambodian People Join in Rejoicing at the Celebration of the Fraternal Vietnamese People's New Year"]

[Text] Today is the auspicious day when the fraternal Vietnamese people joyfully welcome their new year. This current new year celebration takes place at a time when the Vietnamese people and army are scoring great successes in national construction and defense. This inspires great pride for the Vietnamese people and army on the occasion of their new year.

The Vietnamese people are a courageous and strong nation under the clear-sighted leadership of the CPV with President Ho Chi Minh as the great leader [word indistinct]. The Vietnamese people and army have always been successful in struggle, winning one victory after another over the activities and maneuvers of the enemies of all stripes. They crushed the French colonialists, Japanese fascists, U.S. imperialists, Beijing expansionist-hegemonists, and their subservient lackeys and are building their Vietnamese fatherland, bringing about great prosperity.

In the past year, despite serious natural disasters and the U.S.-inspired economic pressures, the Vietnamese people still managed to achieve remarkable all-round successes. Agricultural production increased considerably. In particular, rice production increased by 1 million metric tons over that of 1983. Industrial production went up by 9.5 percent. In the educational field, the number of kindergarten students went up by 2 percent. There were 7 million general education school children, and 190,000 students were selected for university, secondary education, vocational education, and specialized workers' training. In the national defense sector, the Vietnamese Army and people frustrated all aggressive acts and maneuvers of the Beijing expansionist-hegemonists in collusion with U.S. imperialism.

In addition to actively fulfilling tasks at home with great successes in all fields, thus bringing the prestige of the SRV to new heights in the international arena, the Vietnamese people also carried out their proletarian internationalist duty abroad by actively assisting and providing both material and moral support for fraternal [word indistinct] countries and nations fighting for independence and freedom.

In particular, Cambodian-Vietnamese relations have become a tradition of struggle as we fought shoulder to shoulder, overcoming difficulties and sharing weal and woe for several generations. In the time of struggle against the French colonialists as well as during the struggle against the U.S. imperialist aggressors, Cambodia and Vietnam [words indistinct] until achieving total victory. In particular, when the Pol Pot-Ieng Sary-Khieu Samphan clique--cheap lackeys of the Beijing expansionist-hegemonists [words indistinct] massacred their own people, something unprecedented in the history of mankind, [words indistinct] full of blood and tears, the fraternal Vietnamese people, answering the earnest call of the Cambodian people, came to our rescue in time, staving off the danger of genocide and [words indistinct] on 7 January 1979.

At present, the Vietnamese volunteer army continues to assist and support the Cambodian people, working body and soul together with our Cambodian armed forces to defend the western border of our fatherland with a high sense of proletarian internationalism and with the greatest determination for the independence and sovereignty of Cambodia and for the peace and security of our people.

All the great achievements we have made in all fields over the past 6 years, our happiness, the smiles and laughter of the students everywhere, and our prosperous life cannot be separated from the sacrifices of the Vietnamese comrades-in-arms and the self-abnegation of the Vietnamese fathers, mothers, brothers, and sisters.

Especially on this occasion of the traditional new year, the entire Vietnamese people traditionally join with their families and relatives in order to greet each other and wish one another the best. However, while other people are celebrating this occasion in joy and happiness, a number of Vietnamese cadres and combatants are fulfilling their proletarian internationalist duty on Cambodian soil in order to assist and support the Cambodian people with all their hearts in defending and rebuilding our fatherland. These priceless feelings of the Vietnamese volunteer cadres and combatants more clearly show the sincerity of the Vietnamese friends in wholeheartedly helping the Cambodian people in time of hardship. Moreover, the Vietnamese comrades-in-arms are sacrificing their flesh and blood for the happiness of the Cambodian people. [Words indistinct] very considerable and profound, proving the lofty proletarian spirit of the Vietnamese comrades. This makes our Cambodian people forever grateful. We will treasure these feelings in our hearts and pledge to learn from the noble example of heroism, of being the masters of the fatherland, of upholding the spirit of self-reliance and the sense of revolutionary vigilance, and of constantly preserving the special bonds of solidarity between the two countries in order to frustrate all perfidious maneuvers of our common enemies.

On this occasion of the new year of the Vietnamese people, the Cambodian people would like to join with our Vietnamese brothers in celebrating the new year with hearts full of joy and sincerity. We wish our Vietnamese friends more and greater successes on this occasion of the new year in building the socialist Vietnamese fatherland and wish the Vietnamese

volunteer cadres and combatants who are fulfilling their internationalist duty in Cambodia the best of health and more and greater successes in the concerted operations to mop up the Pol Pot-Ieng Sary-Khieu Samphan-Son Sann-Sihanouk bandits, the most subservient flunkies of the Beijing expansionist-hegemonists working in collusion with U.S. imperialism and international reaction.

In the new year, we pledge to further develop and consolidate the Cambodia-Vietnam bonds of special friendship and militant solidarity, the Cambodia-Vietnam-Laos strategic alliance, and the all-round cooperation with fraternal socialist countries with the Soviet Union as the main pillar so as to strengthen unity and combat cooperation against the enemy and for security and peace in Southeast Asia and the world.

CSO: 4212/36

CAMBODIA

VODK ON SRV PARTIAL TROOP WITHDRAWAL 'TRICK'

BK210945 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
20 Jan 85

[Station commentary: "Nguyen Co Thach Is Duping People Again With His Partial Troop Withdrawal Trick"]

[Text] During the meeting on 17 January in Ho Chi Minh City of the Vietnamese and their Vientiane and Phnom Penh puppets, Nguyen Co Thach made a speech in which he once again resurrected that outdated farce of partial troop withdrawal to shamelessly dupe others. This partial troop withdrawal farce has been staged three times by the Vietnamese since 1982. However, did the Vietnamese really withdraw their forces from Cambodia or not?

1. In truth, not a single Vietnamese soldier was withdrawn from Cambodia. Over the past 6 years of their war of aggression in Cambodia, the Le Duan Vietnamese enemy aggressors have only reinforced their troops in Cambodia. Furthermore, they have sent more weapons, ammunition, artillery pieces, and tanks to Cambodia to escalate their war of aggression to massacre the Cambodian people in a most fascist and cruel manner.

On the Cambodian battlefield, as soon as the Vietnamese announced their partial troop withdrawal from Cambodia, they quickly sent in reinforcements. The Vietnamese enemy announced their first partial troop withdrawal in July 1982. However, in that same dry season, they sent in over 10,000 reinforcement troops from Vietnam. In the rainy season, 23,000 more soldiers were brought in bringing the total to over 33,000 soldiers. The second Vietnamese partial troop withdrawal was announced in May 1983. However, over 36,000 reinforcements were sent to Cambodia in 1983: 15,000 in the dry season and 21,100 in the rainy season. In 1984, the Vietnamese announced they had withdrawn 10,000 of their soldiers from Cambodia between 21 and 30 June, but in the dry season of 1984, the Vietnamese enemy brought in 25,000 fresh troops from Vietnam, including 12,000 combat soldiers. In the rainy season, 24,400 more were brought in, bringing the total of 49,400 soldiers. All this shows that the Vietnamese enemy did not withdraw their forces from Cambodia; on the contrary, they have been reinforcing them both in the dry and rainy seasons.

2. The Hanoi Vietnamese enemy aggressors' statement that they will continue to station their forces in Cambodia for another 5 or 10 years clearly confirms that Vietnam will not withdraw its forces from Cambodia. Our national army and guerrillas are vigorously attacking the Vietnamese enemy daily with increasing intensity. This has gradually depleted the Vietnamese forces. Therefore, to be able to maintain its forces in Cambodia, Vietnam has to send even more reinforcement troops to replace those soldiers who have died, the wounded, the chronically sick, the panic-stricken, and deserters to resist the attacks of our national army and guerrillas.

3. The Vietnamese statement that the situation in Cambodia is irreversible also shows that Vietnam wants to control Cambodia forever. It will not let Cambodia out of its grip. This shows that Vietnam will not easily withdraw its troops from Cambodia.

All this clearly shows that the Hanoi Vietnamese enemy aggressors are not going to withdraw their forces from Cambodia nor are they ready to do so. Therefore, the Le Duan clique's annual announcement of a partial troop withdrawal is only a deceitful trick to dupe the world and lessen the international community's anger so that people will not pressure the Vietnamese to completely withdraw their troops from Cambodia as prescribed by the UN resolutions. However, the Le Duan Vietnamese enemy's false partial troop withdrawal cannot dupe anyone. The world realizes that this partial troop withdrawal trick of the Hanoi Vietnamese clique is merely a rotation of medical personnel, withdrawal of the wounded, the chronically sick, and the panic-stricken, and their replacement with fresh combat troops. Currently, at a time when the Vietnamese enemy aggressors are intensifying their extermination of the Cambodian people both inside the country and along the border in a most barbarous and cruel manner, Nguyen Co Thach dares to insolently announce that Vietnam will carry out further partial troop withdrawals from Cambodia. This time, as before, no one will be taken in by this deceitful trick. The world knows that whether Vietnam lies or not depends on the complete withdrawal of Vietnamese forces from Cambodia as prescribed by the UN resolutions. If Vietnam does not withdraw all its forces from Cambodia and continues to carry out this outdated trick of partial troop withdrawal, then the world will continue to unite in pressuring Vietnam in every form to compel it to abide by the UN resolutions.

As for the Cambodian people, the Democratic Kampuchean National Army, and the CGDK--which have first-hand experience of the Vietnamese enemy aggressors--they are well aware that unless the Vietnamese are soundly defeated, they are not going to easily withdraw from Cambodia. So, the Cambodian people, the Democratic Kampuchean National Army, and the CGDK are determined to unite and continue to struggle even more vigorously against the Vietnamese enemy aggressors and to force them to encounter more difficulties until they are compelled to withdraw all their forces from Cambodia in accordance with the UN resolutions.

CAMBODIA

CGDK FOREIGN MINISTRY ON RIGHT TO RESIST SRV

BK210228 (Clandestine) Voice of the National Army of Democratic Kampuchea in
Cambodian 2315 GMT 20 Jan 85

[20 January statement of CGDK Foreign Ministry]

[Text] The entire world is well aware that the Hanoi Vietnamese have committed an act of aggression against the state of Democratic Kampuchea--an independent, sovereign, neutral, and nonaligned state and a member of the United Nations. This is a brutal, blatant violation of the UN Charter and international law. It cannot be tolerated. Therefore, the Cambodian issue should be resolved in accordance with the resolutions adopted during the past 6 years by an overwhelming majority at the United Nations--that is, all Vietnamese aggressor forces should be unconditionally withdrawn from Cambodia.

However, the Hanoi Vietnamese have persisted in committing aggression against Cambodia. Therefore, it is a sacred right of the entire Cambodian people to fight the Vietnamese enemy aggressors until they are chased out of Cambodian territory. It is also a sacred right of all peace- and independence-loving countries the world over to defend the UN Charter and international law and to support the Cambodian people's just struggle. The Hanoi Vietnamese aggressors cannot get away with this. They absolutely must unconditionally withdraw all their aggressor forces from Cambodia.

Democratic Kampuchea

20 January 1985

CGDK Foreign Ministry

CSO: 4212/36

CAMBODIA

SIHANOUK THANKS THAI MINISTER FOR REFUGEE AID

BK210440 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
20 Jan 85

[16 January message of thanks from DK President Norodom Sihanouk to Thai Foreign Minister Sitthi Sawetsila]

[Text] To His Excellency Air Chief Marshal Sitthi Sawetsila, foreign minister of Thailand, Bangkok:

On behalf of Democratic Kampuchea and in my own name, I am very honored to express to the Royal Thai Government, the Army of the Kingdom of Thailand, the Thai provincial authorities, the brave Thai people, and all Thai associations and humanitarian organizations our profound and eternal gratitude for the kind sympathy and generosity accorded to the multitude of Cambodian people who have just fled to Thailand following the most cowardly, brutal, and criminal attacks of Vietnamese soldiers in the recent weeks. At the same time, we would also like to express our thanks to Thailand and the ASEAN countries for showing their solidarity with the Cambodian people and their legitimate government, namely the CGDK, and for justly and firmly condemning the SRV, whose forces are currently committing undecipherable crimes in Cambodia. Democratic Kampuchea and I vigorously condemn the recent cowardly crimes in which Vietnamese forces cowardly and unjustly violated Thai territory, crimes which have affected innocent and harmless Thai people living along the border.

Democratic Kampuchea and I will always be on the side of the Kingdom of Thailand.

[Signed] Norodom Sihanouk, president of Democratic Kampuchea

Pyongyang, 16 January 1985

CSO: 4212/36

CAMBODIA

DONG THAP PROVINCE HAILED FOR ASSISTANCE

BK210730 Phnom Penh Domestic Service in Cambodian 0430 GMT 21 Jan 85

[Statement to station correspondent by (Ngeun Khoeun), standing member of Prey Veng provincial party committee, on solidarity and all-round cooperation between Cambodia's Prey Veng Province and Vietnam's Dong Thap Province--recorded]

[Summary] Prey Veng and Dong Thap Provinces share a common border. The peoples of these two provinces have shared weal and woe since time immemorial. They assisted each other during the struggle against French colonialism and U.S. imperialism. During its rule, the Pol Pot clique severed friendship and solidarity with Vietnam, and relations between the two provinces were also broken. However, this relationship has been renewed since the Pol Pot clique was toppled. The CPV and the Vietnamese Army and people have wholeheartedly assisted the Cambodian people throughout the country, including those in Prey Veng Province. The Vietnamese Army volunteers have helped provide security for our people in Prey Veng Province in particular.

"Aside from sacrificing their flesh and blood for the happiness of the Cambodian people, the Vietnamese people in general, particularly those in Dong Thap Province, have assisted and provided various kinds of aid for the people in Prey Veng Province. In fact, when the people in Prey Veng Province were facing a disastrous flood in 1984, Dong Thap Province provided them with 10 metric tons of IR-36 rice strain. Dong Thap Province has also sent its technicians to help build two rice milling machines. Each machine is capable of milling 40 metric tons of rice per day. It has also sent technicians to help in building a sawmill. At the same time, there has been regular cooperation in the exchange of goods needed by people in Prey Veng Province, including 600 metric tons of cement, 5,000 pieces of corrugated iron, 50 metric tons of iron rods, 5 metric tons of silk thread, and many other kinds of consumer goods worth a total of 5.4 riels. Moreover, in this year's dry season, the Dong Thap friendship province has sent a group of experts to assist Prey Veng Province agricultural service in the cultivation of new varieties of rice strains that have proven highly productive."

The people in Prey Veng Province have never forgotten the valuable assistance given them by the Vietnamese people. This is why, no matter what maneuvers the enemies have resorted to in an attempt to sabotage militant

Cambodian-Vietnamese solidarity, the people in Prey Veng Province are not cowed nor misguided because they know well that the Vietnamese are true friends who have saved their lives and helped them to overcome difficulties. The people in Prey Veng Province pledge to safeguard Cambodian-Vietnamese solidarity forever.

CSO: 4212/36

CAMBODIA

VONADK SCORES VIETNAMESE ATTACKS ON REFUGEES

BK240233 (Clandestine) Voice of the National Army of Democratic Kampuchea in
Cambodian 2315 GMT 23 Jan 85

[Station commentary: "Savage and Brutal Aggression and Strategy of Expansionist Aggression of the Vietnamese Authorities"]

[Text] Recently, the Vietnamese authorities launched tens of thousands of their troops with the thunderous support of many tanks and artillery pieces in an extremely savage and brutal offensive against Cambodian refugee settlements along the Cambodian-Thai border. The Cambodians have fled from the interior of Cambodia and have taken refuge in camps along the Cambodian-Thai border in order to escape the massacre of the genocidal Vietnamese enemy aggressors. However, these cruel Vietnamese aggressors do not want to let our people live in peace. They have shot at and killed our people in these camps despite the fact that we have fled to the remotest regions and even to Thailand. They have caused misery to hundreds of thousands of our people, forcing them to flee helter-skelter to foreign soil, and slaughtering hundreds of refugees each time they attack the settlements.

The world has repeatedly seen the tricky, ugly, and savage nature of the Vietnamese enemy aggressors. Their recent attacks on the Cambodian refugee camps have further exposed their strategy of aggression, expansion, and genocide against Cambodia and their insolent, savage, and arrogant nature vis-a-vis international law and the UN Charter. These acts of the Vietnamese enemy aggressors clearly show the following:

1. The strategy of aggression, expansion, annexation, and genocide against Cambodia aimed at creating a minor Indochinese Federation incorporating Vietnam, Laos, and Cambodia.
2. The strategy of expansion aimed at creating a medium Indochinese Federation incorporating minor Indochina and the 16 provinces of northeastern Thailand.
3. The use of this strategy as a springboard for Vietnam itself and the Soviet Union, its boss, to further their expansion into the rest of Southeast Asia and the Asia-Pacific region.

The Cambodian people and the Democratic Kampuchea National Army together with all other patriotic forces with the active and effective support of the international community are determined to fight against the genocidal Vietnamese enemy aggressors until they are forced to withdraw all their aggressive troops from Cambodia in accordance with the six resolutions of the United Nations, allowing the Cambodian people to decide their own destiny without any outside interference. This is the only way to bring about peace in Cambodia, Vietnam, and Southeast Asia.

CSO: 4212/36

CAMBODIA

REPORT ON AGRICULTURAL DEVELOPMENTS 14-20 JAN

BK210839 [Editorial Report] Cambodia media monitored by Bangkok Bureau carried the following reports on agricultural developments during the reporting period 14-20 January:

Kratie Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 14 January reports that peasants in Kratie District had harvested over 1,300 hectares, or 80 percent of plan, by mid-December. In its 1300 GMT cast on 16 January, the national radio adds that peasants in Sambo District had reaped over 2,200 hectares of rice by the same time.

Takeo Province: Phnom Penh radio at 0430 GMT on 15 January reports that peasants in Bati District had harvested more than 3,900 hectares of rainy season rice and had transplanted over 400 hectares of dry season rice by early January. In its 0430 GMT cast on 16 January, the radio notes that by early January peasants of the province had harvested 500 hectares of the rainy season rice with an average yield of 1 metric ton of paddy per hectare and had transplanted nearly 200 hectares of dry season rice. At 1300 GMT on 20 January the radio notes that peasants of Boreicholasa District have so far sown 39 hectares, broadcast 12 hectares, and transplanted 13 hectares of rice out of the planned 8,000 hectares. Phnom Penh SPK in French at 0404 GMT on 15 January reports that peasants of Angkor Borei District planted 1,000 hectares of rice during the dry season.

Kompong Cham Province: Phnom Penh radio at 1300 GMT on 16 January says that from October to December fishermen caught over 2,000 metric tons of fish throughout the province. SPK in French at 0404 GMT on 15 January notes that peasants of Kompong Siem District harvested 2,430 hectares of rainy season rice with a yield of over 1 metric ton per hectare. The news agency adds that during the previous dry season the district planted 840 hectares of rice and 618 hectares of other subsidiary food crops.

Svay Rieng Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 17 January reports that peasants of Romeas Hek District have so far harvested over 2,000 hectares of rice of various types. In its 1300 GMT cast on the same day the radio adds that peasants of Chantrea District had harvested almost 900 hectares of rice by the end of December.

Kompong Chhnang Province: Phnom Penh radio at 0430 GMT on 17 January says that peasants of the province had harvested over 4,100 hectares of rice with a total yield of 3,600 metric tons of paddy by the end of December. In its 1300 GMT cast on 18 January the national radio adds that peasants of the province had sowed 220 hectares of dry season rice by late December.

Prey Veng Province: According to Phnom Penh radio at 1300 GMT on 17 January, peasants of Prey Veng District now raise over 11,000 cows, 16,000 water buffalo, and over 32,000 pigs.

Kandal Province: Phnom Penh Domestic Service in Cambodian at 2300 GMT on 18 January reports that peasants of Ponhea Loe District planned to grow 3,550 hectares of dry season rice, including 1,650 hectares of intensive-cropping rice. They had transplanted over 1,400 hectares of rice by early January, the radio adds.

CSO: 4212/36

CAMBODIA

BRIEFS

GDR PARTY DELEGATION--On 17 January, a delegation from the Socialist Unity Party of Germany Central Committee's Organizational Department led by its vice chairman, Comrade (Walter Lorenz), arrived in Phnom Penh for an official friendship visit to the PRK. Greeting the delegation at Pochentong Airport were Comrade Chey Saphon, member of the party Central Committee and vice chairman of the Central Organizational Department; Comrade Prach Sun, vice chairman of the party Central Committee's Foreign Relations Commission; and many cadres from the Central Organizational Department. Comrade Gunter Horn, ambassador extraordinary and plenipotentiary of the GDR to the PRK, was also present. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 18 Jan 85 BK]

MISLED PERSONS SURRENDER--Between November and the end of 1984, 53 misled persons brought their weapons and surrendered to state authorities in Chhuk District, Kampot Province. [Summary] [Phnom Penh Domestic Service in Cambodian 1300 GMT 17 Jan 85 BK]

HUN SEN AT ANTI-ILLITERACY MEETING--A meeting was held at the office of the Council of Ministers on 15 January to sum up the first year--1984--results of the anti-illiteracy and the supplementary education campaign's second 3-year plan and set targets for implementation in 1985. Attending the meeting were Comrade Hun Sen, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, and minister of foreign affairs; Comrade Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of national defense; Comrade Chea Soth, member of the party Central Committee Political Bureau, and minister of planning; and many other ministers, deputy ministers, and chairmen of the anti-illiteracy committees from all provinces throughout the country. The participants listened to Comrade Hun Sen's advice on the good experience gained in the past implementation of the anti-illiteracy and supplementary education campaign. They also discussed and exchanged opinions on the report summing up the 1984 anti-illiteracy and the supplementary education work and good experience for implementation in 1985. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 16 Jan 85 BK]

GANDHI GREET HUN SEN--On the occasion of the PRK's 6th national day, His Excellency Rajiv Gandhi, prime minister of India, sent a congratulatory message to Comrade Hun Sen, chairman of the PRK Council of Ministers. The

message stressed: On behalf of the Indian Government and people and in my own name, I am very happy to express my congratulations and wishes to you on the occasion of the PRK national day. May the new year bring new happiness and new prosperity to the Cambodian people. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 18 Jan 85 BK]

CSO: 4212/36

INDONESIA

NEW JAPANESE AMBASSADOR

Jakarta ANTARA NEWS BULLETIN in English 7 Jan 85 p A6

[Text] Jakarta, January 7 (ANTARA)--Toshiaki Muto, former Japanese ambassador to Saudi Arabia and the Democratic Republic of Yemen, has been appointed the new Japanese ambassador to Indonesia, replacing Toshio Yamasaki.

The Japanese Embassy here announced last weekend that the new Japanese ambassador to Indonesia was expected to arrive here on January 8, 1985.

Toshiaki Muto (58) was graduated from the Law Faculty of the Tokyo University in 1950. He then joined the Japanese Ministry of Foreign Affairs after he passed a high diplomatic examination.

Before occupying his ambassadorial post in Saudi Arabia, he was once director of the Japan International Cooperation Division, Japan's consul general in Montreal, director general for economic cooperation bureau, director general for European and Eceanian Affairs and member of Japan Foreign Ministry Council.

CSO: 4200/437

40,000 FAMILIES IN SE SULAWESI NEED TO BE RESETTLED

Jakarta ANTARA NEWS BULLETIN in English 5 Jan 85 p A1

[Text] Kendari, January 5 (ANTARA)--A total of 40,000 families living in barren areas in South-east Sulawesi need to be resettled in more fertile areas, Kadarmanto, chief of the rural development office of the province, said.

He said that the fate of these people is uncertain. They move from one place to another and reclaim a new plot of forest as their farmland.

This nomadic life system will certainly endanger the forest and other natural resources next to the living environment.

Kadarmanto said that this nomadic people must be moved to other fertile land and provided them with housing facility complete with farmland. They must also be given intensive guidance on better planting method. But they must also be given food assistance for the first six months before they can produce food for themselves.

From 1972 to 1983/84 a number of 1,700 families from the barren area had been resettled in more fertile land.

"They are now living permanently there and are able to adjust themselves with the people living in surrounding areas," he added.

CSO: 4200/437

71,156 FAMILIES RESETTLED IN FIRST YEAR OF PELITA IV

Jakarta ANTARA NEWS BULLETIN in English 5 Jan 85 p A3

[Text] Jakarta, Jan. 4 (ANTARA)--In the first year of the fourth five year development plan (Pelita IV) the Department of Transmigration (until January 3, 1985) had moved 71,156 families of migrants comprising 235,613 persons to several transmigration projects.

Of the amount 42.72 per cent or 30,401 families (72,771 persons) were self-financed migrants and 40,755 families or 162,842 persons were general migrants.

They came from Jakarta (517 families), West Java (10,780 families), Central Java (14,018 families), Yogyakarta special district (2,461 families), East Java (29,859 families), Bali (988 families), West Nusatenggara (271 families).

A source of the Department of Transmigration said that the migrants got their new homes in Aceh (1,997 families), North Sumatera (1,694 families), Riau (7,109 families), Bengkulu (3,958 families), West Sumatera (814 families), Jambi (5,501 families), Lampung (9,185 families), South Sumatera (8,938 families), West Kalimantan (7,055 families), Central Kalimantan (6,474 families), East Kalimantan (4,306 families), South Kalimantan (3,923 families), North Sulawesi (487 families), South Sulawesi (852 families), Southeast Sulawesi (2,207 families), Central Sulawesi (2,595 families), Maluku (1,190 families), Irian Jaya (2,810 families), East Timor (5 families) and West Nusatenggara (56 families).

CSO: 4200/437

30,000 FAMILIES TO BE TRANSMIGRATED FROM BALI IN PELITA IV

Jakarta ANTARA NEWS BULLETIN in English 5 Jan 85 p A4

[Text] Denpasar, January 7 (ANTARA)--The province of Bali in the fourth five year plan (Pelita) has been targeted to move 30,000 families of migrants to several transmigration projects in Indonesia.

In the first year the province will send 4,000 families, the figure will rise to 5,000 families, next to 6,000 families in the following years.

Head of the local transmigration office Ida Bagus Putraka said that in the first year of the plan the province had moved 845 families, and another 75 families would be sent this month to Batu Licin resettlement project in South Kalimantan.

This year one hundred families will be flown to Pravi-Manokwari project in Irian Jaya, next to 125 families of self-paid migrants who will be sent to resettlement centre in Sulawesi.

CSO: 4200/437

64 PALM OIL MILLS NEEDED BY END OF PELITA IV

Jakarta ANTARA NEWS BULLETIN in English 5 Jan 84 p A4

[Text] Jakarta, Jan. 4 (ANTARA)--Indonesia up to the end of the current Fourth Five Year National Development Plan period (1984-1989) needs 64 palm-oil factories in view of the planned expansion of the existing oilpalm estates from 352,442 to 400,000 hectares, increasing the country's palmoil output from 1.4 million to an estimated 2.1 million tons per annum.

A spokesman for the Department of Industry here disclosed Friday that there are at present only 25 oilpalm mills in Indonesia, and that another 39 will be built up to the end of Repelita IV.

Palmoil constitutes one of Indonesia's main export commodities, considering the fact that the domestic consumption of it is relatively low while the world's need for the product is considerably high.

The country's domestic consumption of the commodity is estimated at 500,000 tons per annum, while the world's requirement reaches five million tons.

An intensive study of the Bandung-based metal and engineering industrial research centre shows that Indonesia's oilpalm output is still below the country's actual (installed) capacity.

Last year's output reached only 750,000 tons, 250,000 tons of which were exported and the remainder for domestic consumption.

The relatively low output is due to the fact that part of the oilpalm trees are still too young to yield anything, while some are already too old and unproductive.

Although Indonesia's metal and engineering industrial undertakings are already able to build palmoil factories as complete producing units, their productivity should still be further stepped up to enable them to achieve the targetted increased production capacity by the end of the Fourth Plan.

Assuming that the metal and engineering industries are each year only able to build six palmoil factories, only 30 will be ready by the end of the Fourth Plan, while another 39 are needed.

The factories derived most of its components and parts from domestic sources.

The Metal and Engineering Industrial Research Centre disclosed that considering the total number of products, 85 per cent of the components needed for the construction of the palmoil factories can already be built at home, and only 15 per cent must be imported.

However, considering the value of the components, only 64 per cent can be expected from domestic sources, and 36 per cent from imports, the spokesman said.

CSO: 4200/437

INDONESIA

MORE SUGAR TO BE EXPORTED THIS YEAR

Jakarta ANTARA NEWS BULLETIN in English 5 Jan 85 p A3

[Text] Jakarta, January 5 (ANTARA)--Indonesia in 1985 would export more sugar to meet the quota granted by the World Association of Sugar Producers, so of Indonesia's status as sugar producer in the association, can be maintained, besides, it will overcome trade problems in the country.

Sources from the ministry of agriculture indicated Saturday that the volume of sugar stock at warehouses in Java island has exceeded the capacity of the building, which can accommodate maximum 80 percent of the whole room, while the present stock has reached 100 percent.

This condition will certainly damage the sugar quality and cause a high rate of weight reduction, added the sources.

The 1985 sugar production is estimated to reach 1.8 million tons which are higher than around 1.6 million tons of 1984. This annual production is still lower than that before the second world war, which reached 3 million tons.

Meanwhile, the sources from the Indonesian Sugar Council pointed out that for the last few years, Indonesia has not exported sugar, nevertheless, up to now, Indonesia is still regarded as the world sugar exporter with a share of quota amounting to 70,000 tons annually by the World Association of Sugar Producers.

"It is due to the efforts of our diplomats in preventing the name of Indonesia from being wiped out of the lists of sugar producer countries," said an official at the council.

Touching on the decrease of sugar output if compared with those of some decades ago, he said it was due to most of the present sugar cane fields are not located in irrigated areas, the fields themselves are too wide and far from the sugar mill, so it lacks the farming care by the mill, and affecting the conversion rate of sugar canes.

In 1920, a sugar mill can maximally manage and cultivate an area of 1,500 hectares of sugar cane field while at present, a sugar mill must take care of 4,000 hectares of sugar cane field.

The officials at the council are of opinion that Indonesia would better perform its obligation to export 70,000 tons of sugar to meet the quota, but still reminded that the price of sugar on the international market at present stood at Rp 130 per kg.

The current price of sugar on the domestic market is at around Rp 600 per kg, while the production price of sugar mills has reached Rp 400 per kg. "This price condition makes Indonesia difficult to perform well as a sugar exporter country," the official acknowledged.

CSO: 4200/437

INDONESIA

WEST NUSATENGARA HAS SUFFICIENT RICE

Jakarta ANTARA NEWS BULLETIN in English 7 Jan 85 p A5

[Text] Mataram, January 7 (ANTARA)--West Nusatenggara in 1984/85 until last December had 84,800 tons of rice as its national food stock, an increase by 37 per cent or 23,141 tons from the last year's 61,659 tons.

Drs. Usman Muhur, chief of the local logistic depot (Dolog) said that 95 per cent of this rice stock were bought through the village cooperative units (KUDs) and only five per cent through non-KUDs.

He said that last year the province supplied 36,700 tons to six provinces namely North Sulawesi (13,000 tons), East Nusatenggara (8,100 tons), East Timor (5,500 tons), Irian Jaya (5,250 tons), Maluku (3,8508 [sic] tons) and Southeast Sulawesi (1,000 tons).

In 1983 the province also supplied 48,475 tons of rice to nine provinces including Maluku, East Timor, Irian Jaya, Southeast Sulawesi, East Kalimantan, South Kalimantan, West Kalimantan and Riau.

In the third five year plan, the logistic depot collected 329,492 tons of rice as national stock or an average 65,898 tons a year.

CSO: 4200/437

INDONESIA

KODECO TO START EXTRACTING CRUDE OFF MADURA

Jakarta ANTARA NEWS BULLETIN in English 8 Jan 85 p A4

[Text] Seoul, January 7 (ANTARA/Yonhap)--South Korea's Kodeco Energy Co. will begin extracting crude oil off the coast of Indonesia's Madura Island next July, the energy and resources ministry announced Monday.

The oil exploration firm will build offshore drilling structures with its Indonesian partner, Pertamina, before the end of June, with a 27-million U.S. dollar loan from Citibank of New York.

The Madura oilfield contains 22.1 million barrels of proven oil deposits--an average daily yield of 10,000 to 15,000 barrels over more than eight years of output.

Kodeco and Pertamina have invested 47 million dollars in the offshore oilfield since July 1982, when they began a joint-venture drilling project in the West Madura seabed off the East Java coast.

Although drilling was originally scheduled to begin next month, it was postponed until July because of the delayed construction of an offshore platform, a ministry official explained.

The firms plan to set up two exploration wells in the same area before July, the official said.

CSO: 4200/437

INDONESIA

COAL MINING AGREEMENT WITH TAIWAN SIGNED

Jakarta ANTARA NEWS BULLETIN in English 5 Jan 85 p A3

[Text] Taipei, Jan. 4 (ANTARA/AFP)--Taiwan and Indonesia have signed an initial cooperation agreement for exploiting coal mines in the Kalimantan region of Southern Borneo, Economics Minister Shu Li-teh said today.

Under the agreement, Taiwan will have a right to explore and survey the eighth field in Kalimantan for 12 years, official sources said.

The sources, who declined to be identified, said the 15,000-hectare (37,000 acre) field has reserves of about 300 million tonnes, of which 120 million tonnes are economically worth tapping.

The sources did not disclose when or where the agreement was signed.

After further surveys the share-out of production will be decided, the sources said.

Cooperation with foreign countries in exploiting coal mines would not only assure Taiwan of a key source of energy but also provide domestic miners with a new job market, in view of the government's efforts to phase out unsafe mines, the sources said.

The government has been urged to order the shutting of coal mines after three major mines disasters in the past six months killed 280 miners.

But this could cost Taipei 250 million dollars in compensation for mine owners' shelving equipment and retirement and severance pay for miners, according to a study conducted by the Taiwan coal mining operations association (TCMOA).

CSO: 4200/437

INDONESIA

COAL MINING IN EAST KALIMANTAN

Jakarta ANTARA NEWS BULLETIN in English 5 Jan 85 p A6

[Text] Samarinda, January 5 (ANTARA)--Mining of coal as a very important source of energy and additional source of income for the country, is at present carried out in East Kalimantan by four national private enterprises and five foreign contractors.

The four national private firms are operating in the Loa Buah, Loa Bukit, Tenggarong and Embelut areas on the banks of the Mahakam River, about 60 kilometers southwest of here.

Coal mining in this region was started by a Dutch enterprise, the Oost Borneo Maatschappij (East Borneo Company) in the Loa Kulu area in 1897.

The company was taken over by PN Tambang Batubara (state coal mines) in 1958.

Data obtained by ANTARA from the East Kalimantan regional development planning board here Saturday, showed that coal deposits in this region were available in substantial quantities, some 41 million metric tons along the banks of the Mahakam River, 35 million metric tons in Berau regency and according to survey results of a South Korean contractor about 650 million metric tons in Pasir regency.

The foreign contractors are at present still in the stage of carrying out exploration and surveys.

Coal export from East Kalimantan stood at 2,373 tons in 1978; 4,719 tons in 1979; 16,980 tons in 1980; 47,255 tons in 1981; 79,352 tons in 1982; 121,480 tons in 1983 and until November 1984 at 299,481 tons.

Purchasers of East Kalimantan coal are Japan, Korea, Taiwan and Thailand.

CSO: 4200/437

8 February 1985

MALAYSIA

ARRIVAL DATE FOR AIR FORCE SKYHAWKS ANNOUNCED

Penang THE STAR in English 21 Dec 84 p 3

[Text]

KUALA LUMPUR, Thurs. — The first four Royal Malaysian Air Force-ordered Skyhawk combat aircraft will arrive at the Kuantan air base early next week.

A Defence Ministry official said today that the planes, the first batch of 40 refurbished A-4 Skyhawks ordered by the Government four years ago, would be flown in from the US by American contract pilots.

The four combat aircraft will be flying from St Augustine, Florida, via Europe on a journey of about 18,400km with refuelling stops at 12 different places.

The Skyhawk has a top speed of 675mph (1,086kph) with a range of 2,000 miles (3,219km) with external fuel tanks.

The official said all the 40 planes were expected to be delivered by the middle of next year.

Grumman Corporation, which is refurbishing the former US Navy surplus planes, are also providing product support, pilot and maintenance personnel training at a cost of about US\$120 (\$288) million.

An RMAF spokesman said in refurbishing the aircraft, the planes were totally stripped and refitted with new wiring, updated avionics and a drag chute to improve its short landing capabilities.

Thirty-four of the Skyhawks were redesignated A-4 PTM (Peculiar To Malaysia) while the remaining six two-seater trainers were redesignated TA-4 PTM.

Four RMAF flying instructors, on a three-month conversion training at Grumman's St Augustine plant, will be back by the end of the year. — Bernama

CEO: 4200/408

MALAYSIA

MUSLIM YOUTHS PLEDGE SUPPORT TO AFGHANS

Kuala Lumpur NEW STRAITS TIMES in English 28 Dec 84 p 7

[Text] Kuala Lumpur, Thurs.--The Muslim Youth Movement of Malaysia (Abim) today pledged its continued support and sympathy for the Mujahiddin movement and the Afghans in their struggle against the Soviet Union.

Its vice-president, Encik Kamarudin Mohamed Nor, said this was important so that the world would not forget the Soviet invasion of Afghanistan.

He said Soviet sympathisers believed that after some years the Soviet's presence in Afghanistan would be accepted by the whole world.

"We want to break this view. Abim will continue reminding Malaysians and the world what the Soviets have done."

Encik Kamarudin was speaking at a Press conference this morning on the occasion of the fifth anniversary of the Soviet invasion of Afghanistan.

He said Abim had sent a letter of protest to the Soviet Ambassador in Kuala Lumpur demanding that the Soviets stop their acts of cruelty against the Afghans and reiterated its call for the complete and unconditional withdrawal of all Soviet troops from Afghanistan.

The letter, dated Dec. 27, reads: "The Muslim Youth Movement of Malaysia, Abim, wishes to reiterate our deep concern over your Government's invasion and continued occupation of Afghanistan.

"This situation is worsened by the fact that the Soviet forces together with the puppet regime in Kabul headed by Babrak Karmal are engaging in a war of genocide which has claimed the lives of one-and-a-half million martyrs and brought about a refugee population of 5 million innocent people.

"The tragedy facing the people of Afghanistan reveals the true nature of the expansionist and imperialistic policies pursued by your Government. We condemn these policies and call on your Government to cease and rectify them immediately..."

Encik Kamarudin said Abim also urged all Malaysians, through their political and voluntary organisations, to provide information to the people on the latest developments in Afghanistan.

It also suggested that the struggle of the Afghans be part of the theme of religious sermons at Friday prayers to make Muslims here aware of what was happening in Afghanistan.

Malaysians have also been called upon to give their support, both moral and material, to the Afghan cause.

Donations can be sent direct to the Afghanistan office here or through Abim at A1-2, Bangunan UDA, Jalan Pantai Baru, Kuala Lumpur.

CSO: 4200/432

MALAYSIA

U.S. FINDINGS ON TEXTILE INDUSTRY DISPUTED

Kuala Lumpur BUSINESS TIMES in English 21 Dec 84 pp 1, 24

[Article by Charles Chan]

[Text] Malaysia is sending additional data about the local textile industry to its Washington lawyers in an attempt to reverse the US Commerce Department's preliminary finding that it had subsidised textile exports to the United States.

This was disclosed yesterday by the Deputy Secretary General of the Ministry of Trade and Industry, Encik Ahmad Saadi.

"The finding is not final. We expected a clean bill. We will fight it," he told BUSINESS TIMES.

The USCD, acting on complaints made by the American textile industry workers' union, had carried out investigations and after a preliminary hearing on Dec. 15, named seven developing countries, including Malaysia, which had allegedly subsidised textile exports to the US. The others are Argentina, Peru, Indonesia, Thailand, Sri Lanka and Turkey.

The ruling means that US importers of textiles from the seven must begin posting bonds with each new shipment to cover countervailing duties that may be imposed after a final determination due by Mar. 4.

These bonds must be equal to the amount of subsidy found in the preliminary rulings in each case.

In the case of Malaysia, the bond to be posted to cover countervailing duties amounted to 0.57 per cent for garments. Fabrics are unaffected.

The countervailing duties on mill products and apparel for the other countries were much higher, from 0.83 per cent and 0.636 per cent respectively for Indonesia to 22.01 per cent for Argentina.

Asked what impact the ruling would have on Malaysia's textile industry, Encik Ahmad said: "The amount is very small compared to the other countries and therefore won't hurt us much."

"Our worry is that the importers may turn to other sources for supply and may not return to us even after the ruling has been reversed," he added.

The US is the largest market for Malaysian textile goods and exports last year were valued at \$250 million. Garments accounted for 70 per cent of this amount.

The American lawyers appointed by the ministry to refute the subsidy charge against Malaysia had visited the country in November to collect financial data to help them in their case.

Apparently the answers provided by local exporters to the questionnaires handed to them during their visit was insufficient.

Encik Ahmad said he had instructed local exporters represented by the Malaysian Textile Manufacturers Association to cooperate with the latest request for additional data.

According to him, the area in which the subsidy allegation against Malaysia stood up was in export allowance and export financing provided to exporters.

Encik Ahmad said the Malaysian Trade Commissioner in Washington was helping the American lawyers and the Malaysian Ambassador to the US, Datuk Lew Sip Hon, was following the case closely.

Malaysia had been accused of subsidising its exporters on several occasions in the past but this was the first time that the charge, following investigations, has been upheld.

Rebutting such charges had proved to be a time-consuming and "irritating" process for Malaysian textile exporters.

"This is a very technical and legal matter but we are trying our best to reverse the ruling," he said.

Meanwhile, the second round of negotiations for a new textile agreement between Malaysia and the US is scheduled to be held in Kuala Lumpur on Jan. 21.

Encik Ahmad, who will be leading the Malaysian negotiating team, said both sides discussed quotas for 16 categories of textile products in their first round of talks in Washington recently.

He said agreement had been reached on nine categories. The remaining seven and two new items brought up by the Americans will be discussed at the second round of talks in the capital.

CSO: 4200/432

MALAYSIA

OIL PRODUCTION INCREASE PLANNED FOR 1985

Kuala Lumpur NEW STRAITS TIMES in English 21 Dec 84 p 7

[Text] Kuala Lumpur, Thurs.--Malaysia appears set to increase oil production by as much as a third above its planned 1985-level to counter the slump in world prices.

The extra production, based on confirmed estimates of new discoveries, would not dent the 18-year depletion of known national oil reserves, according to Petronas predictions. But it would have to be sold at a discount over cheaper spot prices in the glutted market.

Petronas' reported effective price cuts of between US\$1.05 (\$2.52) to US\$0.50 a barrel or 3.4 per cent to 1.7 per cent for its various crude blends are certain to upset oil earnings next year although thus far the effect is small.

Prices for Malaysian crude petroleum grades range from US\$30.95 for Tapis crude to US\$28.40 for Bintulu.

Petronas managing director Datuk Rastam Radi said in Geneva yesterday the cuts were only temporary and an eventual decision could be reached after "we monitor what the market is doing and what Opec is doing."

He was in the Swiss capital observing an Opec (Organisation of Petroleum Exporting Countries) Ministers meeting to bolster flagging benchmark prices while member countries, short of hard currency, jump production quotas.

Based on the 1984/85 Economic Report, oil production would increase 2.3 per cent to 450,000 barrels per day to offset the pace of the weakening world oil market, which was projected as a 1.7 per cent fall to a weighted average of US\$29.50 per barrel.

The sums worked out a one per cent increase in export value to \$8.54 billion and total revenue to the Government of \$3.3 billion, down from \$4.6 billion previously.

New Finds

In order to restore earnings, production would have to rise a further 2.3 per cent, roughly, or about 10,000 barrels per day, well within the limits of the national depletion policy.

On Aug. 23, Datuk Rastan said that new finds, especially the Dulang field off Terengganu, could sustain production levels of up to 600,000 barrels per day in one or two years.

With the price slide, the hopes of a boost that this would have on revenue have been in abeyance. The concern at present is, with oil accounting for a quarter of Government revenue, how much of a cushion this extra capacity can be while Opec shudders under the spiralling prices?

Malaysian crude prices are closely tagged on to the Opec reference benchmark and are politically pledged to prop it up. Any decision the cartel makes would have an effect on Malaysia.

More insistent is the worry over the fluctuating quality of the top Malaysian blend, Tapis crude, which brings more problems of finding buyers without heavy discounting.

CSO: 4200/432

RECORD PALM OIL PRODUCTION EXPECTED

Kuala Lumpur BUSINESS TIMES in English 22 Dec 84 p 12

[Article by Fauziah Haji Ismail]

[Text]

CRUDE palm oil production in Malaysia this year is heading towards a new high, with the January-November output having already exceeded the full-year estimate by the Treasury in its 1984-85 economic report.

According to figures released in the latest issue of *Palmoil Update* published by the Palm Oil Registration and Licensing Authority (Poria), cumulative production for January-November this year totalled 3,401,553 tonnes — compared with the Treasury's forecast of 3.33 million tonnes for the whole of 1984.

It was also 581,348 tonnes or 20.6 per cent more than the 2,820,205 tonnes attained in the corresponding period in 1983.

Another interesting aspect is that CPO production is heading towards a record even though the seasonal decline appears to have started in November.

Estimated at 399,390 tonnes, November pro-

duction was down marginally by 35,998 tonnes or 8.3 per cent from the revised 435,298 tonnes attained in October.

It, however, exceeded the production of November 1983 by a staggering 137,663 tonnes or 52.6 per cent.

All states in Peninsular Malaysia registered declines in CPO production during November, ranging from 0.02 per cent in Selangor to 18.3 per cent in Kedah.

On balance, Peninsular Malaysia's production is estimated to be down 8.5 per cent from October's level of 404,305 tonnes to 370,000 tonnes.

Both Sabah and Sarawak also registered declines — their combined production estimated at 29,300 tonnes was below October's level of 30,993 tonnes (revised) by 5.5 per cent.

Palm kernel production in November was estimated at 112,000 tonnes, down 10,378 tonnes or 8.5 per cent from October's production 122,378 tonnes (revised).

It was, however, much

higher than the production of the corresponding months in both 1983 and 1982, registering increases of 40,233 tonnes or 56.1 per cent and 27,729 tonnes or 32.9 per cent respectively.

On balance, Malaysia's production of palm kernel oil was estimated at 105,000 tonnes or 8.3 per cent below October's production of 114,546 tonnes. The combined production of Sabah and Sarawak, estimated at 7,000 tonnes, was 10.6 per cent below the month-ago level of 7,832 tonnes (revised).

Palm kernel oil production for November was estimated at 51,000 tonnes, an increase of 2,337 tonnes (4.8 per cent) over October's revised production of 48,663 tonnes. Compared with the production of November last year, it showed an increase of 19,236 tonnes or 60.6 per cent.

Palm oil stock at the end of November rose to the highest level since January this year. Estimated at 472,000 tonnes, it

was seven per cent or 31,138 tonnes above the revised level of 440,862 tonnes attained in October. Compared with the 215,309 tonnes registered for the corresponding month one year ago, it reflected a tremendous annual upsurge of 119.2 per cent.

Despite experiencing a decline of 8.3 per cent in crude palm oil production in November, crude palm oil stock was expected to pick up further to reach 290,000 tonnes, an increase of 6.5 per cent from the preceding month's level of 193,410 tonnes and registered a significant rise of 191.8 per cent over the 101,108 tonnes recorded for the same month in 1983.

Similarly, processed palm oil stock, which was estimated at 177,000 tonnes, registered a large increase of 20 per cent from October's level of 147,432 tonnes. Compared with the 114,201 tonnes reported in November last year, it registered a sharp rise of 55 per cent or 61,799 tonnes.

MALAYSIA

OIL PRODUCTION CUT ANNOUNCED

Kuala Lumpur BUSINESS TIMES in English 27 Dec 84 p 1

[Article by Vong Nyam Ming]

[Text]

MALAYSIA will cut its oil production starting next month in support of Opec and world oil prices which have been under severe downward pressure over the recent months.

"The government feels that Opec and what it stands for need to be supported," Finance Minister Daim Zainuddin said in Kuala Lumpur yesterday.

"As a mark of solidarity with Opec, the government has now decided to reduce crude oil production by 40,000 barrels per day in 1985 compared to the earlier projected level of production for that year.

"The government hopes that this gesture will be supported by other oil producing countries and that crude oil prices can be stabilised," Encik Daim said.

Encik Daim's announcement means that Malaysia has abandoned plans to increase its oil

production next year from the current 440,000 bpd to 450,000 bpd in 1985.

Crude oil prices have been under pressure throughout the year and several non-Opec as well as some Opec producers have offered discounts on the US\$29 a barrel marker price for Saudi light crude.

Indonesia has agreed to the proposed Opec policing of sales and prices of member states without reservation, says Mines and Energy minister, Dr Suharna.

In an interview with *Reuters* yesterday, Dr Subroto said that President Suharto gave full support to the proposal made at Opec's conference last week to set up auditing machinery.

Commenting on the Encik Daim's statement yesterday, analysts said that Malaysia's new policy to cut back oil production was the strongest indication that Malaysia

was closer to an agreement or at least strongly considering to join Opec.

The Organisation of Petroleum Exporting Countries

Sheikh Ahmed Zaki Yamani, Saudi Oil Minister, was in Kuala Lumpur late this year meeting senior Malaysian ministers and was given a briefing of Malaysia's status as oil producer.

Later, Dr Subroto in his capacity as Opec chairman and Indonesian Mines and Energy Minister, visited Malaysia and talked with senior Malaysian ministers and officials.

Datuk Rastam Hadi attended the Opec meeting in Geneva last week to observe Opec's bid to re-claim supply control via a supra-national body to police production quotas and prices of member producers. The aim is to return Opec production to the ceiling of 18 million bpd agreed in November from the current 17.8 million bpd.

CSO: 4200/408

MALAYSIA

NATURAL RUBBER TO REMAIN TOP CASH CROP

Kuala Lumpur BUSINESS TIMES in English 28 Dec 84 pp 1, 24

[Text] Natural rubber will continue to be the most important cash crop in the Malaysian economy in the medium and long term, the new head of Malaysia's rubber research, Encik Ahmad Farouk S.M. Ishak, assured yesterday.

Encik Ahmad Farouk, who is also the chairman of the Malaysian Rubber Research and Development Board (MRRDB) said the task force of NR experts which recently completed a comprehensive study of Malaysia's NR industry into the year 2000, confirmed this optimism.

"The MRRDB executive thinking on NR policy after the year 2000 reaffirmed the confidence on the techno-economic strength of natural rubber both in the medium and long term," he said.

Encik Ahmad Farouk, who succeeded Tan Sri B.C. Sekhar last month, said the social rate of return from natural rubber in the medium and long term had been forecast at eight to 12 per cent--better than any other crops.

Although earnings from palm oil exports outstripped that of rubber this year due to better prices, rubber was not losing its position as a major element in the economy, he said.

Rubber accounts for 47 per cent of the 4.28 million hectares of cultivated land in the country and 12 per cent of the total export revenue in 1981-82 period.

A higher percentage of Malaysia's 6.7 million hectares of uncultivated arable land could be profitably planted with rubber, Encik Ahmad Farouk said.

On competition from other NR producing countries like Thailand, Indonesia and Sri Lanka, Encik Ahmad Farouk felt that Malaysia must visualise a situation when it might not retain its position as the world's largest NR producer.

This was because compared with the other producers, Malaysians had higher expectations of their socio-economic development, and this called for a

consistent introduction of a dynamic productivity policy for the industry to remain viable.

"But there is no doubt that Malaysia will continue to be the most efficient producer of NR right to the year 2000," he asserted.

Noting that private sector involvement in the industry tended to be dictated by short-term gains, Encik Ahmad Farouk said long-term guidelines from the government was necessary for the development of the NR sector.

He suggested that a proper soil suitability map on the utilisation of land for the various crops be drawn up for the country.

This could be done by a committee of experts from agencies like the Agriculture Ministry, Rubber Research Institute (RRI), Palm Oil Research Institute of Malaysia (Porim) and Malaysian Agricultural Research and Development Institute (Mardi).

The committee could look at the soil suitability map to provide guidelines on the economic and technological constraints, terrains and climatic conditions so that the question of where to plant a particular crop could be tackled more professionally, thus ensuring optimum land utilisation.

"But the choice of crop should ultimately be left to the land-owner himself, be they the smallholder, estate owner or schemes like Felra based on the assessment of the relative profitability and pragmatic consideration of land utilisation," he said.

On the smallholder sector, which accounts for not less than 50 per cent land under rubber and 60 per cent of Malaysia's total rubber output, Encik Ahmad Farouk said though a lot of water had flowed under the bridge vis-a-vis efforts to modernise the sector, it still lagged far behind when compared with the estate sector in productivity.

The NR task force highlighted the importance of modernising the smallholder sector if the NR industry as a whole is to be efficient.

While saying that he had no radical changes to make yet of the MRRDB system, ("I don't believe that change for change sake is the best way of leading an organisation"), Encik Ahmad Farouk said some fine-tuning of the role of MRRDB and its units might be necessary from time to time.

One area of fine-tuning is for the RRI to intensify its advisory functions into more direct inter-action with the smallholders, especially in demonstrating to them the efficacy of research innovations.

This would beef up efforts of a joint RRI-Risda committee on technology transfer which also involves the participation of the National Association of Smallholders (Nash).--Bernama ES

LANGE, LABOR GOVERNMENT TAKE DIP IN POLLS

Economic Factor Cited

Christchurch THE PRESS in English 20 Dec 84 p 4

[Text]

The popularity of the Prime Minister, Mr Lange, dipped from 73 per cent on October 29 to 67 per cent on December 1, according to a Heylen-'Eye Witness' poll last evening.

The poll also revealed that only 10 per cent of surveyed voters are satisfied with the state of the economy. Fifty-one per cent say they are uncertain about the economic health of the country and 36 per cent registered dissatisfaction.

The result came after a poll on Tuesday evening which showed support for the Labour Government dropping from 67.4 per cent to 44.4 per cent.

In the latest poll, Sir Robert Muldoon, who lost his job as Leader of the Opposition late last month, is performing to the satisfaction of 27 per cent of polled voters.

On October 29, when he led the National Party, he polled only 22 per cent.

The new Leader of the Opposition, Mr McLay, is preferred Prime Minister in the opinion of 11 per cent of the poll sample, compared with 13.5 per cent for Sir Robert.

Mr Lange's support in this category dropped from 20 per cent on October 29 to

24.9 per cent in the latest poll.

Mr Lange said the poll presented "great difficulties for the National Party."

He said the results showed that Sir Robert had actually increased his support after the election of Mr McLay as leader of the Opposition.

Mr McLay, on the other hand, had shown only a small improvement in his rating and trailed Sir Robert by 4 per cent.

Also National, even after the tough decisions of the Budget and the inevitable surge of support a change of leadership brings, was still behind Labour.

Mr Lange said the February, 1983, poll, taken after he was made party leader, saw Labour soar to a 9 per cent lead over National.

He described the over-all poll result as "predictable but better than expected."

One of the most important statistics he took from it was that nearly two thirds of Labour voters and one third of non-Labour voters had approved of the Budget.

The poll also showed increasing approval of the Government's handling of employment - its number one priority, Mr Lange said.

He said the slight drop in his personal ratings was expected after the "artificial highs" he had been receiving.

Further Details

Christchurch THE PRESS in English 20 Dec 84 p 4

[Text]

The Government's popularity has slumped since the Budget and Mr Jim McLay's election as leader of the National Party, according to the Heylen-"Eye Witness" poll announced on Tuesday evening.

The poll - taken on December 1, three days after Mr McLay replaced Sir Robert Muldoon as Opposition Leader - showed the Labour Party two percentage points ahead of National.

Labour support fell from 47.4 per cent in the previous poll on October 27 to 44.4 per cent, while National picked up markedly from 34.7 per cent to 42.1.

The Prime Minister, Mr Lange, said that he was expecting worse results than those shown in the poll. Support was still standing for the Government, despite some tough decisions deliberately taken early in its administration.

Mr McLay said the shift in support resulted from a combination of Government policies and the National Party leadership change.

National would win nine seats from Labour if an election was held today, he said yesterday.

The New Zealand and Social Credit parties' popularity dropped between the two polls - the former from 11.6 to 7.9 per cent and the latter from 6.3 to 5.6 per cent.

In other results from the latest Heylen-"Eye Witness" poll, with the previous poll figures in brackets: 50 per cent (42) approved of the Government performance; 47 per cent (53) approved its handling of the economy; 48 per cent (44) approved its handling of unemployment.

In reaction to the Budget, 65 per cent approved and 41 per cent disapproved.

CSO: 4200/419

NEW ZEALAND

U.S. WILLINGNESS TO USE MUSCLE IN TRADE OBJECTIVES VIEWED

Christchurch THE PRESS in English 20 Dec 84 p 12

[Editorial: "U.S. Threat Over Butter"]

[Text]

The decision of the United States to withdraw from the International Dairy Arrangement is an indication of the willingness of the second-term Reagan Administration to use muscle to achieve its trade objects. This was already apparent at the meeting of the General Agreement on Tariffs and Trade contracting parties held at the end of last month, after President Reagan had been returned to office. The United States used threats as part of its negotiating strategy at the November meeting. Just before the United States announced that it would withdraw from the G.A.T.T. International Dairy Arrangement, it had been holding further discussions with the European Economic Community. The fact that a notice of intention to withdraw has been given may also mark the ascendancy of the United States Department of Agriculture over the State Department on trade matters, at least for the moment.

The reason that the United States gave for withdrawing — that it does not approve of international agreements used to set prices — is not entirely convincing. While it is true that there is a minimum price for butter set by G.A.T.T., the United States has been a party to the International Dairy Arrangement for some years. The decision would appear to have much more to do with the sale of cheap butter to the Soviet Union by the European Economic Community. The United States took part in the discussions, which were led by New Zealand, after the European decision to sell the butter cheaply, but its first clear retaliatory move was the sale to Egypt of 30,000 tonnes of dairy products. Egypt has been a traditional market for the E.E.C. In another move, where negotiations had been under way before the European decision to sell butter cheaply to Russia, the United States sold dairy products to

Iraq. That was the sale in which the United States made Iraq's purchase of more New Zealand dairy products a condition of its own sale.

New Zealand has long feared the outbreak of a trade war between the United States and the E.E.C. In viewing such a prospect, the mistake is sometimes made of assuming that all products would be involved. However, wars, shooting or trade, can be less than total. If this view is taken, the sale to Egypt, and the notice to withdraw from the International Dairy Arrangement, may be regarded as skirmishes. The point raised by the Minister of Overseas Trade and Marketing, Mr Moore, that the intentions of the United States are not hostile to New Zealand, is accurate, as the condition attached to the sale of the American dairy products to Iraq demonstrates.

For all that, there is no way that New Zealand could avoid having its dairy trade harmed drastically by continued moves between the United States and the E.E.C. over dairy products. The trade has been harmed already by the sale to the Soviet Union. Even at the G.A.T.T. minimum price of \$US1200 a tonne for butter, New Zealand, which is the most efficient dairy producer in the world, finds costs are barely met. That is what the world price has now sunk to.

The intention of the United States is to show the E.E.C. that it is too costly, both to subsidise agricultural products as heavily as it does, and to sell them cheaply, particularly to the Soviet Union. If the United States succeeded in convincing the E.E.C. that large subsidies on agricultural production had to stop, then New Zealand interests would be served. Europe may continue to be self-sufficient in dairy products, but the surplus might come to be eliminated. In the long term New Zealand might benefit from the moves taken by the United States towards the E.E.C. over dairy products. However, that lies in an uncertain future.

In the short term New Zealand would be certain to be hurt. That is one reason for not taking sides between the E.E.C. and the United States over the dairy issue. The other main reason is also based on a recognition of New Zealand's immediate interests. New Zealand might agree with the principles advocated by the United States, but the E.E.C. remains New Zealand's biggest single customer for butter. By some astonishingly good negotiating, New Zealand has preserved a place for itself in the E.E.C. dairy market. It would be more than pushing its luck to take the part of the United States in a trade battle between the United States and the E.E.C.

The best that New Zealand can hope for in the meantime is that the United States will respond to the request of the International Dairy Council to remain a member of the International Dairy Arrangement. If the withdrawal goes ahead and becomes effective by February 13, New Zealand might still hope that the United States will not deliberately disrupt prices even further. In the longer term New Zealand will be working towards ensuring that the rules which apply to industrial goods in world trade are extended to agricultural produce. Support for the G.A.T.T. Committee on Agriculture and exploring the possibility of a new round of negotiations under G.A.T.T. which will encompass agriculture, are two of the ways in which this can be done.

CSO: 4200/419

NEW ZEALAND

REPORTAGE ON TRADE DELEGATION VISIT TO PRC 12-19 DEC 84

First Day's Meetings

Wellington THE EVENING POST in English 13 Dec 84 p 3

[Article by Bruce Kohn]

[Text]

PEKING, Dec 12. — Overseas Trade Minister Mr Mike Moore and his "gang of 40" business leaders today set about putting fresh impetus into the Sino-New Zealand trading relationship.

Within three hours of arrival in the Chinese capital after a 21-hour flight from Wellington, bleary mission members began discussions aimed at boosting two-way trade now running at \$300m annually.

China takes 2 percent of New Zealand's annual exports and Mr Moore said today it should rank along with Japan, Australia and the US in the top four of New Zealand's trading partners by the end of the century.

The delegation he leads has 39 members plus departmental supporting staff. It is ranked the largest mission of its type despatched from New Zealand.

As mission members contemplated sub-zero Celsius temperatures in the Chinese capital, Mr Moore told them: "It's been a 21-hour flight, it's right on Christmas and you've got to be either mad or keen to be here. I'm convinced you're keen."

New Zealand, he said, had good products to sell and had to get its share of the developing Chinese market — a message he subsequently passed on to the Chinese Minister of Foreign Economic Relations and Trade, Madame Chen Muhua.

Mr Moore and his mission met with Madame Chen, a member of the Politburo of the Chinese Communist Party who once led a Chinese trade delegation to New Zealand, at the Great Hall of the People.

Among the New Zealand team are representatives of a broad grouping of industrial and agricultural industries, finance and shipping executives, bankers and electronic manufacturers.

Contemplated business deals include the possible sale by Fisher and Paykel of a refrigerator-freezer manufacturing unit now surplus to company requirements.

Producer Board executives look to enhance New Zealand's sales of wool, dairy products, fruit and fruit juices.

Chinese traders seek to redress an imbalance in the trade between the two countries. Latest figures show New Zealand selling about \$173m worth of goods to China but accepting only \$123m imports from the People's Republic.

New Zealand importing companies are represented in the delegation.

The mission is in China at a time of rapid change in economic direction. Emphasis is being placed on urban development and lifting living standards in the cities.

Provincial and city governments and individuals are being encouraged to develop entrepreneurial and manufacturing skills, and to carry out their own export-import decisions without all-embracing central government direction.

Mr Moore believes this change in direction is beneficial to New Zealand in that it will enable the nation's traders to make a bigger impact at a lower level.

Difficulties in penetrating a central bureaucracy will be markedly less.

Fisher and Paykel managing director, Mr Don Rowlands, deputy mission leader, believes his company's surplus refrigerator assembly line is destined for a Chinese provincial centre.

It has a capacity of 1000 units a day and Mr Rowlands expects Chinese technicians to use the line as a model for copying in order to duplicate it in other areas.

The mission meets with Chinese officials here until Saturday when it travels to Shanghai, before going on to Canton on Monday. It returns to Wellington next Thursday.

Several Contracts Signed

Auckland THE NEW ZEALAND HERALD in English 15 Dec 84 p 1

[Article by Russell Hill]

[Text]

✓ The Tasman Pulp and Paper Company yesterday signed a \$10 million-a-year contract for the sale of newsprint to China after being locked out of the Chinese market for the past three years.

The contract, one of several signed yesterday by members of the trade delegation led by the Minister of Overseas Trade and Marketing, Mr Moore, is seen by the company as an important breakthrough likely to open the way to increase future sales.

The export manager of Tasman, Mr David Harris, said the contract was for the annual purchase of 10,000 tonnes of newsprint next year and in 1986 and between 16,000 and 20,000 tonnes in 1987.

He said the contract would be worth \$2 million in the first quarter of next year. The price was renegotiable thereafter but sales of about \$10 million a year were expected.

Tasman was competing with newsprint manufac-

turers in Canada and Scandinavia, said Mr Harris.

"But we have a very good relationship with the Chinese," he said. "They like dealing with us and the reverse is also true."

"They are also aware that we have very large forestry resources coming on stream in the near future."

Mr Harris said newsprint exports to China, initiated in 1978, had been stopped in 1981 because of a general reduction in Chinese imports and the upgrading of local mills.

More Read

However, the general improvement in Chinese living standards had pushed up demand.

"More and more people are wanting to read newspapers and specialist magazines and so there should be a continuing long-term demand."

Mr Harris said a small quantity of newsprint had been sold to the Chinese Import Export State Cor-

poration in each of the past three years but on a stock market basis. Tasman had been trying throughout that period to resume long term contract sales.

Among the other deals settled yesterday was a contract for the export of wire rod and reinforcing steel produced by Pacific Steel Ltd of Auckland.

The trading manager of the New Zealand Export-Import Corporation, Mr Bill Sommerville, said the contract, arranged by the corporation as agents for Pacific Steel, was for \$6 million worth of steel in the first quarter of next year.

"We would certainly expect to do that dollar value every quarter next year," he added.

Mr Sommerville said a contract had also been completed with the Chinese Light Industrial Products Import and Export Corporation for the sale of a minimum of \$5 million worth of wood pulp a year for the next two years.

Wellington THE EVENING POST 10 Dec 1977 (Sun) (A4) (1-2)

[Article by Bruce Kohu]

[Text]

SHANGHAI, Dec 16. — Old China hand Warren Freer, described during the years following establishment of the People's Republic as a "bloody communist," was smiling broadly today on a Shanghai riverboat.

The reasons. He had set the stage for a Sino-New Zealand joint venture in prawn farming and clinched what is believed to be the first ever major sale of Chinese oil products to New Zealand.

The trade and industry minister in the Kirk-Rowling Government of 1972-75, confirmed arrangements for the deals in talks with Chinese officials on the riverboat.

Technicians

Under the prawn venture arrangements, it is planned that four Chinese technicians will visit New Zealand in March or April to study sites for the project. Within two years under the venture, owned 60 percent by New Zealand companies and 40 percent by China, it is expected sufficient quantities of the delicacy will be produced to supply the New Zealand market.

About one year later, Mr Freer believes, the saltwater pond farms will be supplying Australia, the US and Japan.

The project represents the first Sino-New Zealand joint venture to take place in New Zealand. It is also

the first time China has agreed to utilise in a foreign country its own expertise in the farming of prawns.

No site for the venture has been established, but it is probable the farm will be sited in the South Island. Seawater will be pumped through pits holding the prawns and "pregnant prawns" will be brought from China to act as initial brooding stock.

Mr Freer said Chinese officials had told him they had already experimented with the long distance transport of pregnant prawns to confirm their suitability for the joint venture.

Plankton

The Prawns will be fed a fish-meal and a secret variety of plankton the Chinese intend to introduce to New Zealand when the venture gets under way. The plankton will come from Chinese prawn farms.

Under the oil arrangement, about 20,000 tonnes of diesel will be exported by China to New Zealand during the first quarter of next year.

Mr Freer negotiated the oil deal

and to drop insistence on payment being made through a letter of credit, previously an obstacle to New Zealand purchases of Chinese oil and byproducts.

He said that once this barrier had been cleared, the way was opened for the initial diesel import. It was likely this would be followed by significant crude oil imports once the Marsden Point expansion was completed.

Prospects

Mr Freer, as a director of his own company, Trade Opportunities Ltd, was on the riverboat along with Overseas Trade Minister Mike Moore and other New Zealand businessmen talking commercial prospects with Shanghai civic and trade officials.

Bitterly cold winds whipped up the river waters for an endless stream of barges and tugs, lighters and sampans during the cruise. Rusting freighters lined the side of the waterway, emphasising Shanghai's role as China's biggest port.

"For me it was a great cruise," quipped Mr Freer. "We've opened up new ways for Chinese New Zealand Trade to develop."

Christchurch THE PRESS in English 19 Dec 84 p 20

[Editorial: "Balancing Act in China"]

[Text] The Minister of Overseas Trade and Marketing, Mr Moore, is leading a mission to China in search of new markets for New Zealand exports. Its first agreements, however, concern increasing the value of China's exports to New Zealand. That should not be surprising because the balance of trade between China and New Zealand is heavily in New Zealand's favour — New Zealand sells to China exports worth \$175 million and imports goods worth \$52 million. An indication that something would have to be done about the imbalance came during the planning stages of the present mission, which was first described in New Zealand as an export mission to China.

China made representations to New Zealand about the name and suggested that the question of the trade imbalance would have to be tackled. The visit then came to be described as a trade mission instead. The 20,000 tonnes of diesel oil that China will supply to New Zealand, and the technical assistance China will make available in the establishment of a prawn-farm venture in New Zealand, will not cure the imbalance, but will go some distance towards repairing it and towards removing any Chinese fears that it could only increase.

Whether the prawn venture is successful is likely to depend on how it is managed. This Government has shown itself intent on freeing the market, rather than restricting it. What should be avoided in the prawn venture is closing off the New Zealand market to imports. The export of prawns is of importance to one of the members of the Association of South-East Asian Nations — Thailand — and many of the prawns on supermarket shelves in New Zealand come from Thailand. The growing number of restaurants in New Zealand, and a developing taste for prawns in New Zealand, should be a good basis for the establishment of a local prawn industry. It is a reversal of roles to find China providing technical expertise. When dealing with a developing country, New Zealand normally finds itself supplying the technical assistance.

By buying diesel oil from China, New Zealand is continuing the diversification of its sources of supply of petroleum products. New Zealand once relied almost completely on Middle East oil. This was changed during the 1970s when Indonesia became a supplier to the New Zealand market. A supply — small as the initial quantity is — from China will make New Zealand even less dependent on the Middle East. Much will depend on the characteristics of the oil. China's oils have tended to be waxy

and would have presented New Zealand with technical problems in the Marsden Point refinery before it was modified.

The details about the deal so far given do not make clear whether this oil comes from eastern China, where the oil is less waxy, or whether the oil will be compatible with the New Zealand equipment. The oil market has changed from a seller's market to a buyer's market and many countries are anxious to sell their oil. The sale of New Zealand lamb to Iran in return for the agreed purchase of Iranian oil is proof of that. The initial purchase of the oil from China is not large enough to upset New Zealand's present suppliers, though this could change if quantities increase.

The problem of a trade imbalance is not confined to China. It is easy enough to keep exports to, and imports from the big four among New Zealand's trading partners — Australia, Britain, Japan, and the United States — roughly in balance. These countries have products in demand in New Zealand. However, New Zealand primary products are increasingly being exported to countries for whose products New Zealand has only a limited demand. There are definite limits to the number of Persian carpets New Zealand can take from Iran, for instance. In one deal, a former Minister of Overseas Trade, Mr Brian Talboys, gave access to New Zealand for a few cars from South Korea in an attempt to improve the trade balance between the two countries.

To sell its production, New Zealand is faced with finding more and more markets for primary products. Increasingly, this country will be asked in return to import more goods from these markets in what amount to barter deals. Such deals generally need to be treated with caution, or to be resisted. New Zealand is a world-wide trader. It must attempt to balance its over-all trade, but trading partners need to be told that New Zealand cannot hope to balance its exports and imports with any one country.

Unfortunately, a country anxious to increase its own exports does not find this argument convincing. The gesture New Zealand has made towards China concerning oil and prawns happens also to suit New Zealand's interests. Not all reciprocal arrangements are so convenient. In its determination to increase exports, New Zealand must avoid being locked into arrangements that limit the sources of this country's imports, or arrangements that constrain New Zealand from finding the cheapest sources of supply.

Vow To Double Trade

Auckland THE NEW ZEALAND HERALD in English 20 Dec 84 p 5

[Article by Russell Hill]

[Text] Few firm contracts but some prospective sales and greater optimism for future trade were the products of the seven-day New Zealand trade mission to China which ended yesterday.

The mission also came to grips with the process of decentralising economic authority from Peking by which individual corporations and enterprises are being given rights to trade directly with foreign firms.

A joint commitment to double the two-way trade by 1990 was made by the Chinese Minister of Foreign Relations and Trade, Madame Chen Muhua, and the leader of the New Zealand delegation, the Minister of Overseas Trade and Marketing, Mr Moore.

And the 39 businessmen who accompanied Mr Moore on the four-city trip were confident the target was achievable, given the clear indications by senior Chinese officials that China is well disposed to include New Zealand in its plan for economic modernisation.

"The signals we received were that the Chinese state trading corporations are making every effort to put business our way," said Mr Moore.

He said a priority on his return to New Zealand would be to prepare an "action plan for China" to follow up contacts made during the mission.

"We have got to knock on doors to get the orders," he said.

A contract signed yesterday for the export to New Zealand of \$100,000 worth of Chinese pineapples was described by one businessman as symptomatic of China's commitment to cement trade ties with New Zealand.

The managing director of Kelvin Industries Ltd of Auckland, Mr Vic Percival, said a recent crop failure had greatly limited the amount of fruit available for export and had forced the cancellation of major contracts throughout the world.

But it had demonstrated Chinese goodwill that they agreed to renew contracts with their New Zealand clients.

The most significant business concluded during the mission was the \$40 million worth of sales negotiated in pulp, newsprint and steel by Tasman Pulp and Paper Ltd and the New Zealand Export-Import Corporation.

The Christchurch firm Tait Electronics won a contract for increased sales of its advanced radio transceivers and Pyne Gould Guinness Ltd, also of Christchurch, won orders for New Zealand pasture seed.

The general manager of the Co-operative Wool Marketing Association, Mr Alan Clark, expects his group's sales to China to increase 150 percent next year.

A disappointing aspect of the trip for prospective livestock exporters to China was the early return to New Zealand of the director of the animal health division of the Ministry of Agriculture and Fisheries, Dr Peter O'Hara, following the death of his father.

Dr O'Hara was to have attempted to resolve problems relating to Chinese livestock quarantine regulations which have prevented live sheep and cattle exports to China.

The general manager of Wringtson NMA Ltd, Mr John Nimmo, said Dr O'Hara's departure had been a setback for the mission.

"His early return to China is essential to enable us to resolve the protocol problems and capitalise on this visit," he said.

Trade Union Links

Auckland THE NEW ZEALAND HERALD in English 20 Dec 84 p 20

[Article by Russell Hill]

[Text] The trade mission to China led by the Minister of Overseas Trade and Marketing, Mr Moore, was an opportunity for a trade union official traveling with the party to pursue international as well as strictly New Zealand objectives.

The general secretary of the United Food and Chemical Food Union, Mr Garth Fraser, is acting as an intermediary between trade unions in China, Hong Kong and Taiwan.

Mr Fraser and the vice-president of the Meatworkers' Union, Mr Wes Cameron, have been traveling with the delegation in accordance with the Government's policy of presenting a co-operative front in trade missions throughout the world.

The president of the Meatworkers' Union, Mr A.J. Kennedy went to Japan with Mr Moore earlier this year and the president of the Federation of Labour, Mr Jim Knox accompanied him to Australia.

And during the present mission, the union officials have been working to oil the wheels of trade.

By talking to their counterparts in China they have sought to clear the way for a projected joint venture by which Wattie Industries would introduce mutton canning at an existing processing factory near Shanghai.

Negotiations over the venture have proved difficult and the unionists were asked to approach the issue from a different perspective.

For Mr Fraser, the mission gave him a further opportunity to act in the interests of international union solidarity.

One of the most prevalent issues facing trade unions in Hong Kong is the form in which they will be able to operate after the Chinese assume control of the British colony in 1997.

The issue was not canvassed in negotiations which led to the agreement of the transfer of control, leaving the Hong Kong unions apprehensive over their future.

"They want assurances from the People's Republic on rights, such as the right to strike, just as the business community in Hong Kong was given firm assurances," said Mr Fraser.

The unions had adopted a standoffish position in respect of China, however, requiring the services of an intermediary.

Mr Fraser said he set out to fulfil that function as an official of a union which is affiliated to the International Union of Foodworkers.

CSO: 4200/419

NEW ZEALAND

PRIME MINISTER SUPPORTS COMMERCE LINK WITH TAIWAN

Wellington THE EVENING POST in English 20 Dec 84 p 12

[Text]

The Prime Minister, Mr Lange, supported yesterday proposals by the New Zealand Chambers of Commerce to set up an office in Taiwan to promote trade between the two countries.

The "Post" disclosed earlier this year that such a move was being considered.

The Australian Chamber of Commerce opened an office in Taipei in 1981. Since then trade between the two countries has rocketed.

Answering questions in the house, Mr Lange said the New Zealand Government would not be prepared to set up a trade office in Taipei.

But Mr Lange said it would be possible — and still consistent with the Government's policy of recognition of the People's Republic of China — if the chambers of commerce set up an office there.

Mr Lange added he hoped the chambers of commerce would go ahead with the proposal.

CSO: 4200/219

NEW ZEALAND

OECD CITES GOVERNMENT MOVES AGAINST ECONOMIC GROWTH DROP

Auckland THE NEW ZEALAND HERALD in English 22 Dec 84 p 12

[Text] London--Economic growth may decline in New Zealand over the next two years and the Government has made necessary moves to improve long-term prospects, says the Organisation for Economic Co-operation and Development.

The Paris-based body said in a half-yearly economic outlook that the Government was tackling fundamental change while economic conditions were deteriorating.

Economic recovery probably peaked at about the time of the July election.

Growth may drop from 3.5 to 4 percent in 1983-84 to around 2 to 3 percent this year and gross domestic product may fall in 1985-86.

Last year's growth was associated with a 10 percent rise in exports reflecting developments in Australia.

Prospects Weak

The 'corrective measures undertaken by the Government...are necessary if the economic imbalances which had been allowed to build up are to be resolved in a way which will ensure better longer-term prospects.'

The report's section on New Zealand also said that prospects for private sector investment and consumption seemed weak.

"Partly offsetting the weakness of domestic demand, exports seem likely to remain strong."

It said the Government's moves would have important effects on the development of the economy.

Inflation was likely to increase, but the extent of the post-devaluation acceleration would depend on wages.

"There is the danger of wages rising too rapidly and a new wage-price spiral developing."

Worsening

The lifting of interest rate ceilings had facilitated a much stronger funding programme which should result in slower money growth.

But one byproduct was a worsening of the servicing costs of the Government debt, the external element of which had already been exacerbated by the devaluation.

CSO: 4200/419

NEW ZEALAND

ARTICLE EXAMINES IMPLICATIONS OF TOUGH ECONOMIC FORECAST

Auckland THE NEW ZEALAND HERALD in English 22 Dec 84 p 6

["Politics" column by Tony Verdon: "Tough Economic Decisions Lie Ahead"]

[Text]

Issues rather than events are set to reassert their dominance over the political scene next year, as politicians continue to adjust to the results of this year's upheavals.

For the Government, 1985 will bring fewer public relations-oriented "summits" and more tough decisions on the economy, to be taken amid increasing tensions within the Labour Party over the direction of economic policy.

The Government will also work on repairing the obvious damage budgetary decisions have caused so far, and so try to reverse the slump in its popularity, recorded starkly in today's *Herald-National* Research Bureau opinion poll.

It will also have to cope with the certain controversies surrounding both the fringe benefits tax and the goods and services tax, while attempting to calm what has become a volatile industrial relations climate.

The new National Opposition lineup of spokesmen and women, to be announced next month, will

have to confront the dilemma of trying to establish itself as a credible alternative to the Government, while distancing itself from the record of the previous National Administration.

Next year promises to be particularly difficult for both the Prime Minister, Mr Lange, and his Minister of Finance, Mr Douglas, as Labour Party activists and others look for positive results from the Government's market-oriented approach to economic management.

Crunch decisions will have to be made early in the New Year about monetary policy, particularly whether or not to have a controlled float of the dollar.

Steps taken so far by the Government have all pointed towards a float of

some kind, and most speculation in Wellington is that it will take place in March or April.

In an unannounced move this week the Reserve Bank began indicating to foreign exchange dealer licence-holders the Government's willingness to consider relaxing the 30 per cent requirement for local ownership.

The Reserve Bank apparently recommended to the Government that it consider relaxing the restriction, which affects many of the 16 licence-holders.

Float More Likely

In return for the relaxation, the Government is expected to insist that overseas parent companies invest considerable

PHILIPPINES

PADILLA SEES MARCOS HAND IN OPPOSITION RIFTS

Quezon City ANG PAHAYAGANG MALAYA in English 27 Dec 84 pp 1, 6

[Text] A prominent political oppositionist has accused President Marcos of "engineering a division" in the ranks of the opposition to weaken the move to oust him from power.

Former Sen Ambrosio Padilla, one of the 11 people named as possible presidential candidates by the Convenors' Group, yesterday said previous events indicate Marcos' past involvement in covert "divide-and-rule" political tactics.

Although Padilla did not cite who among the presidential aspirants or opposition leaders are part of the Marcos strategy, he questioned the motives behind the announcements of former Sen Rodolfo Ganzon and ex-Department of Public Information Undersecretary Reuben Canoy to run for president.

Ganzon will run under the Lapiang Manggagawa, which is believed in some sectors to be a pro-Marcos labor party, while Canoy will run under a still unnamed party.

"Why are Roding (Ganzon) and Canoy running?" Padilla asked.

Padilla also questioned the move of Member of Parliament Eva Estrada Kalaw to break away from the Convenors' Group, saying the move was not timely.

Four people have announced their presidential ambitions. Marcos, Ganzon and Canoy's announcements that they will run was followed by a former radioman and habitue of a suburban coffee shop announcing he is also running for president.

Lucio de Gala, the former radioman, says his platform would be the "banning of martial law."

CSO: 4200/415

PHILIPPINES

CASES AGAINST AQUINO WITNESS DISMISSED

Quezon City ANG PARAYACANG MALAYA in English 1 Jan 85 pp 1, 2

[Text] The warrants of arrest served by the National Bureau of Investigation (NBI) for alleged charges of estafa when it arrested Rebecca Quijano, the "crying lady," last December 14 covered cases which have either been dismissed or which are now non-existent.

This was revealed by lawyer Raul Gonzales, who accused the NBI of exerting "undue prejudice" on Quijano, believed to be an eyewitness to the Benigno Aquino assassination.

In a letter to NBI director Jolly Bugarin, Gonzales, family lawyer of the Quijanos, assailed the NBI for indicating in its records that six criminal charges for alleged violation of the bouncing check law and one case of estafa are pending against Quijano when "in fact, these cases no longer exist."

He requested that the corresponding annotations be made in the records affecting Quijano on the dismissal or non-existence of the cases claimed to be pending against her.

Court records show that criminal case no. 042206 filed against Quijano for violation of Batas Pambansa (BP) no. 22 (the bouncing check law) was dismissed on Feb. 20, 1981. Criminal cases nos. 81-454 and 81-455, also for the same offense, were also dismissed on Sept. 28, 1981.

Criminal cases nos. 59384, 59385 and 62131, also for the alleged issuance of bouncing checks, whose records were burned in a fire that hit Manila City Hall in 1981, have been certified as either non-existent or non-reconstituted by the Manila regional trial court.

Gonzales also informed Bugarin that the warrant of arrest issued against Quijano for alleged estafa was recalled when the case was dismissed last June 8.

Gonzales said that lawyer Clarence D. Guerrero, one of the counsels of Quijano, furnished the NBI with copies of the records of the cases against the "crying lady" as early as Dec. 14, 1984.

But even with the dismissal of the 7 estafa and violation of Bf No. 22 charges, Quijano would still have to contend with two carnapping charges filed against her by a car rental firm.

Records of the carnapping charges were not immediately made available but it was learned that the charges were filed against Quijano for her alleged failure to return two cars she rented from the car rental firm.

Quijano's lawyers, however, maintained that a friend had used Quijano's name to borrow the cars. They expressed confidence that Quijano will be cleared of the carnapping charges.

Gonzales said he is working for the immediate resolution of Quijano's cases so that she can leave the country after making a testimony on what she saw at the Manila International Airport when the former Tarlac solon was murdered on August 21, 1983.

Quijano wants to leave the country after issuing a statement on what she saw at the China Airlines stairway but she cannot do so as a hold departure order has been issued against her by the Commission on Immigration and Deportation (CID).

Gonzales disclosed that if the hold departure order is lifted, Quijano will most probably fly to Japan, where arrangements are being made for her protection by the All-Asia Bar Association-Philippines which Gonzales heads.

From Japan, Quijano is expected to proceed to the United States to join her family.

CSO: 4200/426

PHILIPPINES

LIBYAN ENVOY VISITS MINDANAO, ASSAILS WESTERN PRESS

Quezon City ANG PAHAYAGANG MALAYA in English 26 Dec 84 p 2

[Article by Jan Maridul]

[Text] Marawi City--The lopsided treatment accorded to Third World countries by the western media especially the American press was denounced here by a Libyan envoy and a Filipino muslim leader.

Ambassador Salem Adem, chairman of the Libyan People's Bureau in Manila accused the Western media of being onesided and malicious in their treatment of small countries that are trying to conduct their affairs outside the influence of big powers.

Speaking to newsmen during his visit to this city on Dec 21-22, the Libyan envoy said the Western press is just "mouthing the biases and whims of their governments" in their reportage of events and issues in the Third World countries.

He declared that the United States is bent on discrediting Libya and Col Muammar Qathafi to follow superpowers' dictations, and its pure malicious and black propaganda," he said commenting on published reports that Libya is helping worldwide terrorism.

He said all published stories about Col Qathafi sending hired killers to assassinate Western leaders are "pure invention and hoax" fabricated by the American press.

He explained that Libya is a small country that is conducting its own affairs according to the wishes of her people and outside the sway of big nations.

"It's unthinkable for a small country like Libya to terrorize the United States," he added.

Vice President Oga Mapupuno of Mindanao State University also decried the bad publicity that poor nations are getting in the Western Press.

He said the Philippines, like Libya, is also suffering from malicious reporting in the American press.

Mapupuno stressed that many countries are recipients of Libyan social and cultural assistance.

Libya financed the establishment of Filipino-Libyan Friendship Hospital in this city," he said, belying charges of Libyan intervention in the domestic affairs of the Philippines.

The MSU official said the only thing that Libya can be charged of intervention is that she is using her good office to help solve the problems of the Muslims in Mindanao.

It may be recalled that Libya was a principal mediator in the negotiations between the Philippine government and the Moro National Liberation Front.

Libya was a member of the Quadripartite Ministerial Commission created by the Islamic Conference to enter into discussions with the Philippine government concerning the situations of the Muslims in Mindanao.

Libya's mediation led to the signing of the Tripoli agreement between the Philippines and the MNLF on Dec 23, 1973 at Tripoli Libya.

CSO: 4200/415

PHILIPPINES

ARTICLE TALLIES MINDANAO KILLINGS

Kuala Lumpur BUSINESS TIMES in English 28 Dec 84 p 8

[Article by Horacio V. Paredes in Zamboanga City]

[Text] The Filipino who lives on Mindanao Island has a greater chance of dying by gunfire than those who live in the other 7,000 islands that make up the Philippines.

Depending on one's viewpoint, the killings are performed mostly by: the military, the rebels, Muslim separatists or bandits.

The opposition in Mindanao is united in its condemnation of the militarisation of the island. A recent report notes: "In Mindanao alone, 3,323 innocent citizens, mostly lowly peasants, have been arbitrarily arrested and detained since the lifting of martial law in 1981." The report also notes that since 1981, "a total of 1,028 cases of salvaging were documented in Mindanao."

"Salvaging" is the military term for the summary execution of rebels or suspected rebels who have been taken by soldiers. The opposition to the Marcos regime says that this is a common practice of the military. The government denies that "salvaging" is as widespread as the opposition says it is.

What lends credence to the opposition line on the killings in Mindanao is that in the last two months four of the more vocal and effective opposition leaders have been murdered in broad daylight. All of them have been speaking up against military abuses in one form or another.

The authorities, including military units in the island, seem unable to solve the murders of even these, the most prominent victims of Mindanao violence: Mayor Cesar C. Climaco of Zamboanga City; Alex Orcullo and Jacobo Amatong, journalists; and Zorro Aguilar, human rights lawyer. The suspicion that elements in the military may have been responsible for the killings dies hard in Mindanao where the presence of troops is all pervasive.

Member of Parliament Romeo Jalosjos of Zamboanga del Norte is one of 10 MPs who are considered as independent. Mr Jalosjos was in Zamboanga as part of the three-man legislative inquiry board that looked into the killing of Climaco.

There is something wrong in the system, said Mr Jalosjos, when the local police forces are under the military. Yet, he notes, crimes are committed in broad daylight "mostly in Mindanao, because there are a lot of provinces where there is a concentration of the military. But in provinces where there is no concentration of the military, this is not happening.

"As soon as they (criminal elements) establish some sort of connection with some people--some officials of the military--then, they become brave. In situations like this where there are concentrations of military, the civilian government loses control. It's a fact here in Zamboanga that it's the military that's the lord here."

The way that the local government executives meet this erosion of their powers is to set up their own corps of militiamen. These take the form of the Civilian Home Defence Forces (CHDF) or, as in Zamboanga and Davao--the two most militarised cities in the Philippines--the Active Counter-Terrorist Sector (ACTS).

The late Climaco relied more on the ACTS than the military or the police, many of whom were not residents of Zamboanga. This Mr Jalosjos sees as another wrong. "There should not be militiamen guarding your place," he says. "We are supposed to be in a peaceful situation. How could you muster militiamen to be guarding your city?"

But the reality of Mindanao is that the militiamen who have been given guns in some places outnumber the military. More often than not, the armed militia becomes the terrorising element in the countryside. The peasants and smallholder farmers in the hinterlands have to learn to live with the armed elements in their neighbourhood.

This includes the local police, the Constabulary (or national police), the militiamen, the military, the Communist New People's Army, the separatist Muslim groups (the Muslim National Liberation Front and the Bangsa Moro Organisation), the paramilitary groups that include such elements as the "Lost Command," a group of well-armed Army deserters under the command of a maverick colonel, the People's Liberation Organisation, a rightist group of rebel-returnees; the fanatic groups such as the "Rock Christ," "Tad-Tad" (who cut up their victims) and even a group that disembowels and eats the heart of their victims.

The common belief is that the fanatics and the rightist groups, if not actually funded and supported by the military, are, at least, tolerated since they would tend to stymie the opposition in the hills.

The problem of the law enforcers in the interior barrios (villages) is that there is little sympathy or support for their efforts while the peasants are generally suspected of being part of the mass base of the communist guerillas which has already grown larger than even the once well-funded Muslim separatist armies.

One military commander in Misamis Oriental angrily shouted at a crowd gathering around a soldier who had been killed by communist rebels: "Why is it that when soldiers die, there are no protests? When rebels are killed, we are charged with human rights violations. What about our human rights?"

An Army colonel in Davao, in exasperation, accused the human rights lawyers, protesting yet another torture case, of being all communists and rebels. The public outcry that followed had the colonel eventually withdrawing his accusation. Human rights lawyers are themselves often arrested as in Davao during the recent three-day transportation strike all over Mindanao when six lawyers were held for a few hours in Davao before being released by the commanding general.

Hamletting, or the forcible evacuation of whole villages in order that the military can mount operations against the rebels in the hills, has been officially disallowed since 1982. The hamletting was so widespread in 11 Mindanao provinces that the estimate of the population affected runs up to 500,000 people. At present, although there is no longer any hamletting officially, mass evacuations still continue.

A recent example was when the whole barrio of Mandug composed of 400 families camped in front of the City Hall in Davao. The People's Liberation Organisation, suspected of having killed their barrio captain Alex Orcullo, scared the residents into evacuating. Only when a battalion of marines moved in did the residents return to their homes.

The sad experience of evacuees is that upon their return to their houses of nipa (palm thatch) and bamboo, the little material possessions they left behind, including livestock, chickens and garden crop are often no longer there.

Unsolved Crimes

The Coalition of Organisations for the Restoration of Democracy (CORD) reports that "new hamlets have been set up this year in north Cotabato involving 1,100 people, in Misamis Oriental, 19 villages and Bukidnon."

A town mayor in Misamis Oriental, a former military officer, wonders about the forced evacuation of people living in his town. He suspects that some corporations or rich persons are interested in buying up the land and that this could be the reason for the extended military operations in his area. While the mayor could have serious doubts about this, the fact is that in far-blung barrios of his town public executions of some village officials by communist guerillas have taken place with the residents forced to watch the sentencing and the killing.

The communist guerillas have been very active in Mindanao. The official count of yearly deaths by rebel or government guns in Mindanao is reported by General Fidel Ramos, acting chief of staff, at 2,400 with a third of them civilians.

Boy Zuno, city councilor of Davao, says that on Mindanao there is a killing every half hour.

The Task Force Detainees (TFD) office in Davao City reports on the military that from July to October this year, 144 have been salvaged, 28 people are missing, 43 died in nine massacres and 19 by strafing. There were 1,162 arrests in the four-month period and 171 people tortured.

While TFD does not report about the killing perpetrated by the communist guerillas, the "sparrow" units of the NPA have been responsible for many assassinations. Soldiers out on furlough can become sudden victims in agaw-arms (capture guns) operations in which the soldier is killed to take his precious M-16 rifle, grenades or other weapons.

Even in the cities, sudden death can strike in crowded jeepneys, restaurants and movie houses. Davao City was the site of a 1982 Easter Sunday bombing of a cathedral. Several movie houses and public gatherings have also been the object of terrorist grenade attacks. Policemen in one extended period were being killed weekly.

One of the problems is that what with the presence of rebels, soldiers, paramilitary and other armed units, laying the blame for a particular crime is not easy. Ms Susan de los Reyes, Vice-Mayor of Zamboanga City and its Peace and Order Council chairperson, says that since 1981, there have been 900 killings in the city, including those that may have been done by soldiers, rebels, bandits or Muslim separatists. Most of these are unsolved crimes.

The problem, she says, is that there are too many loose guns in the city. Yet, there are only 250 policemen in a city of over 400,000 residents, many of whom are evacuees from the predominantly Muslim areas of Mindanao.

"Our policemen," Ms de los Reyes says, "have only six rounds of ammunition for their guns. How do you expect them to be effective?" There are some 6,000 troops in the city, including elements of the Philippine Constabulary, Marines, Army, Air Force and Navy.

Recently, after protests from the opposition in Parliament about the movement of tanks within the Greater Manila area, the Defence Ministry announced that the 100 new armoured vehicles were being sent to Mindanao.

This will mean greater militarisation and, in effect, a worsening of the problem. The rebels in the island are only about 6,000 including Muslim separatist and communist guerillas. Their strength, however, is in a mass base that is getting more and more disillusioned with the central government in Manila and is running to the guerillas for solutions to their problems. Land disputes, crimes and other personal complaints are brought to the rebels for solutions which sometimes take the form of summary executions.

Forest concessions, banana plantations, palm oil plantations and other large holdings are often the targets of perceived rebel attacks. These can become very expensive operations for some of the businesses. One 5,300-hectare (13,100) plantation in Agusan owned by a known friend of the President was attacked last May, causing damage estimated at 20 million pesos (M\$2.58 million). Farm machinery, buildings and standing crop were burned.

Generally, a small contribution in cash, food or medicines can keep the rebels at bay. In the Davao area, banana plantation owners pay as much as 25,000 pesos (M\$3,225) monthly to keep the peace.

The strange twist in the undeclared war in Mindanao is that the government has been fanning the rumours of a coming Christian-Muslim conflict. During the investigation on the killing of Mayor Climaco, a representative of the Office of Media Affairs kept pushing that rumour at the forefront at Press briefings. Recently, however, Gen. Ramos, on a visit to Zamboanga, declared that there is no rift between Christians and Muslims in the city.

Nor has there been a religious war in Mindanao since the time of the Spanish conquest of the Philippines. Even then, the Moro (called "Moors" by the Spanish soldier who saw in the Mindanao Muslim a kinship with the dark-skinned conquerors of Spain) was not fighting a religious war as much as defending his homeland.

Even when there was a conflict between the settlers from the Visayas and the native Muslim population in the rice-growing area of Mindanao in the 1960s, the conflict was not religious but rather more agrarian.

The separatist war in the early '70s in which the historic town of Jolo, Sulu, was burned with napalm bombs was a religious conflict in that the Muslim perception was that the government was out to exterminate the Muslim population of the island. Recent government moves giving the Muslims a better deal seem to have alleviated some of the ill-feelings of the '70s.

Today, the Muslim population constitutes only about 15 per cent of the total population of Mindanao. The Autonomous Government that was the result of the pact between the Marcos government and Libya which was funding the separatist movement in Mindanao has been set up only in two of the four regions in the island. Even in the regions in which this has been set up, the Muslim population is only some 60 per cent of the total.

The war in Mindanao is not between Muslims and Christians, but more between the men with guns and those without guns. In the uneven battle, those without guns are more easily killed even if, more often than not, this is in the crossfire between the armed combatants.--Depthnews Asia

CSO: 4200/426

PHILIPPINES

URBAN DECAY FORCES RESIDENTS TO FLEE MANILA

Manila PHILIPPINES DAILY EXPRESS in English 2 Jan 85 p 5

[Text] Urban decay continues to force Manilans to move to other suburban places where they perceive living conditions to be better or more tolerable.

As a result, Manila's population in proportion to that of the entire Metropolitan Manila area or region has been on the decline since 1948, according to a local government study.

Manila proper constitutes the inner core of Metropolitan Manila. It is the human settlement by the Pasig River found by Spanish adventurers in the 1500's which they helped develop to become the national capital of the Philippines.

The urban decay afflicting Manila is traced by the Office of the Commissioner for Planning, an arm of the Metro Manila Commission, to rapid population growth, limited foresight on part of past city administrators and the perennial lack of public funds.

Rutted and still deteriorating city streets with limited capacity to handle an ever growing volume of vehicular and pedestrian traffic, antiquated safe water distribution system and sewerage facilities, rotting housing stock and similar inadequacies in the other basic amenities make up the urban decay being suffered by Manila, it was explained.

Formerly representative of national progress in urban development, Manila is today seen by human settlements experts as one of the biggest slum areas in the Southeast Asian sub-region.

The MMC, created in 1975 by government decree and imposed as a super government over the municipal administrations of four cities and 13 towns made to constitute the metropolitan area, has been trying to arrest urban decay in Manila.

However, the effort is only through spurts or when funds are available and thus it is hardly noticed by Manilans who, by tradition, are the most vocal critics of the national government being comparatively better informed than counterparts in the countryside.

According to the OCP study, Manila's population stood at 984,000 in 1948 or 60 percent of the combined population of the four cities and 13 municipalities in that year.

Today, Manila's share of the metropolitan population is estimated by OCP to have gone down to 26 percent or almost half the 1948 percentage.

In the 1980 national census, Metro Manila population was counted at 5,925,884 resulting in a population density of 9,317.4 persons per square kilometer. The metropolitan land area measures 636 square kilometers.

The same census found Manila proper's population at 1,630,485 still the most populous among the three other cities and 13 municipalities. Second was Quezon City with 1,165,865. Populations of the others were below the 500,000 mark.

The OCP study found that the population of Manila proper first hit the million mark in 1960, accounting for 44 percent of the 2.4 million population of the metropolitan area in that year.

By 1970, OCP said Manila's share of the Metropolitan population had gone down to 33 percent; to 29 percent in 1975, and 26 percent in 1980.--
DEPTHnews

CSO: 4200/426

PHILIPPINES

CEBU PAPER LAUDS 'FRESH WINDS OF CHANGE' IN AFP

Cebu City VISAYAN HERALD in English 24-25 Dec 84 p 3

[Text] Action by the acting AFP chief of staff, Lt Gen Fidel V. Ramos, on the deteriorating peace and order situation in some parts of Mindanao and in the two Camarines provinces is fast.

With the approval of the President, General Ramos has sacked ranking officers of the PC-INP in the cities of Zamboanga and Davao (where peace and order are at their lowest), in other Mindanao provinces and in two Bicol provinces.

Verily, the fresh winds of change have started to blow through the AFP, starting with the termination of the demoralizing policy of extending services of retirable generals. This month, four over-staying generals were allowed to finally bow out of the military service.

The job of cleaning up the AFP of its dead wood, its scalawags and its inept officers has just started. More heads are expected to roll as General Ramos' drive to change the military's image from "oppressor" to "protector" gains steam.

The acting chief of staff is bent on instituting better discipline in the ranks of all officers in the four major commands to achieve his goal. As we pointed out in an editorial some days ago, this is the most important need in the AFP today. With discipline, the image of the AFP can, and will, be changed. (PM)

CSO: 4200/415

PHILIPPINES

ROUNDUP OF NPA ACTIVITIES, CASUALTIES

Capiz PC Headquarters Raided

Manila BULLETIN TODAY in English 26 Dec 84 pp 1, 9

[Article by Romy C. Chan]

[Text] A PC soldier and a policeman were killed while scores of other persons were wounded when about 80 New People's Army (NPA) rebels raided last Saturday the PC headquarters and police station of Dumalag town, Capiz.

Some of the raiders were believed killed but their bodies were carried by their comrades.

Killed were T/Sgt Artemon Floro of the 314th PC Company, and Pat Wilfredo Dullano of the Dumalag police force.

Seriously wounded was a certain ClC Tala, also of the 314th PC Company based in Capiz.

The NPA group was reportedly led by Teresita Araneta alias "Kumander Terry" who operates on Panay island.

The rebels reportedly carted away 18 high-powered rifles and a single side band (SSB) radio.

Ruben Gonzales, announcer of radio station DYSS in Roxas City, said that at about 5 p.m. last Saturday, some members of the NPA group were seen playing basketball with the local residents in the town's plaza, shortly before the raid.

Forty-five minutes later, the rebels simultaneously struck the police station, surprising the three policemen manning it, and the PC company, located at Suhot Cave, about a kilometer away from the town proper.

Pat Dullano reportedly tried to repulse the rebels but he was riddled with Armalite bullets in the first blast of gunfire.

In a simultaneous raid at the 314th PC company, the raiders surprised the soldiers who were reportedly holding a Christmas party.

The soldiers were disarmed by the rebels who later looted their armory and fled with some guns and an SSB radio.

Mayor Martin Fajardo and his bodyguards were reportedly held by the rebels at bay during the one-hour raid. The rebels commandeered three passenger jeepneys where they loaded their wounded companions.

All towns in the second district of Capiz were placed under alert following other reported raids planned by the rebels.

Davao City--Three armed men believed to be New People's Army (NPA) rebels were killed during an encounter with policemen and Civilian Home Defense Force members in Penaplata town, Samal island, Davao del Norte, at dawn yesterday.

A report received by the regional unified command under Brig Gen Jaime Echeverria said the encounter took place in the poblacion of Penaplata following a raid of the police station by the rebels.

He said the policemen and CHDF volunteers repulsed the rebels after two hours of fighting.

One CHDF volunteer, Julius Banta, was wounded during the encounter.

Echeverria said the rebels shouted, "Babalik kami" (We will return) as they withdrew towards the Davao Oriental side of the island, leaving behind their dead companions.

Last Sunday afternoon, Echeverria said a group of armed men believed to be the same group of rebels was also encountered by a CHDF patrol at the outskirts of Penaplata. The report said the rebels withdrew after a few minutes of fighting.

Echeverria said men of the Marines and Constabulary Regional Security Action Command were sent to Samal island yesterday to help track down the rebels.

Samal Island Police Station Hit

Manila PHILIPPINES DAILY EXPRESS in English 26 Dec 84 p 2

[Article by Mike Crismundo]

[Text] Eight communist terrorists were killed in two separate encounters yesterday with government troopers.

The first incident occurred in Penaplata, Samal Island off Davao City at 2 a.m.

Col Laudemer Kahulugan, Davao Metrodiscom commander and officer-in-charge of the Central Forces Command, said the clash took place at the poblacion of Penaplata when a 50-man communist band swooped down on the town's police station.

Three raiders were killed in the initial firefight as the defenders held their ground, forcing the NPAs to withdraw. A policeman, who was not identified, was wounded in the two-and-a-half hour gunfight.

After evacuating its wounded, Kahulugan said, the terrorists regrouped and attacked once more, forcing the town's defenders to ask for reinforcements. The Davao Metrodiscom head said he sent marine troopers to the island town.

There were no reports as of press time as to whether or not the combatants were still fighting it out for the control of the town.

In the other encounter, five NPAs, believed to be among those responsible for the ambush last Dec 22 of a military truck, were killed while several of their companions were wounded yesterday in Barangay Baligion, Cabadbaran, Agusan del Norte.

The terrorists, who have yet to be identified, were killed after an 18-hour pursuit by government troopers and a 30-minute gunfight at the foot of Mt Ilong-Ilong, just two kilometers from the truck ambush site in Barangay Baligion.

An undetermined number of rebels were believed seriously wounded while on the government side, 1Lt Marcelino Vaillavicencio and a certain Cpl Balderosa were reported injured.

The pursuit of the NPA band was ordered by Col Miguel Sol, commanding officer of the 2nd Infantry Brigade of the Army's 4th Infantry Division, after about 30-fully armed terrorists ambushed the truck.

Killed in the Dec 22 ambush were Cpl Samuel Pabano and Cpl Alfredo Ortiz, while Dindo Abraham, a civilian, was wounded.

The truck belonged to the 29th Infantry Battalion stationed in Cabadbaran, Agusan del Norte.

Further on Samal Attacks

Davao City PEOPLE'S DAILY FORUM in English 27 Dec 84 pp 1, 8

[Article by Jun Baring]

[Text] Guerrillas of the New People's Army, trying to avenge the death of three of their comrades killed earlier in the day, attacked the municipal hall of Penaplata, Samal and bombed it with a rifle grenade-launcher at about 2:00 a.m. yesterday.

The municipal hall was badly damaged. A militiaman identified as Julius Manto was critically wounded. Two other policemen, who were acting as guards in the hall, fled when the NPAs started firing at them.

Earlier in the afternoon, three NPAs were killed when they attacked the police station in the poblacion of the municipality during a firefight. The police station is located some two kilometers away from the municipal hall. The police station is also near the house of Mayor Galileo Obenza.

The NPAs retreated during that fight with policemen. However, they came back at dawn and this time attacked the municipal hall.

The dissidents allegedly came from their mountain lair which is just a few kilometers away from Penaplata poblacion.

The police failed to anticipate that the NPAs will strike again at dawn after they failed to overrun the police station in the afternoon.

The CHDF who was wounded and the two policemen who fled were guarding the town hall when some 20 guerrillas, all shouting with vengeance, attacked the hall and heavily damaged it.

Northern Mindanao Lull Ends

Manila PHILIPPINES DAILY EXPRESS in English 27 Dec 84 p 2

[Text] Cagayan De Oro City--Five suspected rebels and a farmer were killed in three separate incidents in the past six days as the NPA renewed hostilities in Northern Mindanao after a one-month lull, the military said yesterday.

Four of them were killed in an encounter with Scout Rangers in sitio Zamboanga, barangay Balagnan, Baligasag, Misamis Oriental last Dec 24.

Reports reaching the Regional Unified Command--10 said the Scout Rangers were on a routine patrol in the area when they met 40 armed men. The soldiers recovered a rifle, a handgrenade and some anti-government documents.

Another suspected rebel, identified as Paquito Osmena, was killed during an encounter with members of the 26th infantry battalion in sitio Pantalan, Baylanan, Talakag, Bukidnon, last Dec 23.

The soldiers recovered several firearms and bullets from the scene of the encounter and from a suspected rebel hideout in the area.

A farmer was killed and two other men were wounded when a group of rebels disrupted a benefit dance in San Francisco, Agusan del Sur last Dec 20, the military said.--PM

CPP Region XI Leader Nabbed

Davao City MINDANAO TIMES in English 22 Dec 84 pp 1, 12

[Text] The top Communist Party of the Philippines leader for Region XI was captured by elements of the military in a running gunbattle along busy San Pedro street of this city, according to Brig Gen Dionisio S. Tan-Gatue, Jr, today.

Ben Tan-Gatue identified the captured CPP/NPA man as Timotea Papa, alias Dommie, 31, secretary of the CPP/NPA Front XI based in South Cotabato's Sultan Kudarat. He has a price of P75,000 for his capture.

Papa and another NPA Sparrow Unit member was spotted by intelligence agents (R-2) of the regional command along the corner of San Pedro and Legaspi streets about noon of Wednesday. He was identified by a former NPA utilized as spotter.

The agents confronted Papa and his companion but they pulled out their pistols and shot the lawmen hitting one soldier and a passerby identified as Bernardo Butik of Cotabato City. The other soldiers chased Papa who fired back. During the ensuing gunfight some vehicles parked along San Pedro suffered damages.

The pursuing soldiers later cornered Papa who hid in the toilet of a Mr Santos at Anda st. He surrendered knowing that he was cornered while his companion made good his escape towards Magallanes street.

During tactical interrogation at Camp Catitipan, Gen Tan-Gatue said, the captured NPA/CPP officer revealed several activities of their group.

The regional commander also disclosed that the CPP/NPA documents captured in several raids showed an outlined program from 1982 to 1986 and earlier launched their program of strategic defense which will end by this year. From there another program calling for accelerated activities will be implemented.

Gen Tan-Gatue called on all sectors to join the challenge to fight the deceptive and violent ideology of the CPP/NPA.

CSO: 4200/415

PHILIPPINES

CHRISTIAN, MUSLIM LEADERS DECRY DIVISIVE GOVERNMENT TACTICS

Quezon City ANG PAHAYAGANG MALAYA in English 25 Dec 84 pp 1, 2

[Text] Cotabato City—Muslims and Christians, unite!

This was the call of both Muslim and Christian leaders during the various Human Rights Day commemoration activities recently in various parts of Mindanao.

The call came in the wake of what Muslim and Christian leaders observed as "the intensified effort of the government and its military to divide the Mindanao people by creating a state of war between the Muslims and the Christians."

Princess Tarhata Alongo-Lucman, former governor of Lanao del Sur, during a march-rally here last week made the opening salvo for unity: "Let us defend ourselves. Mindanao is the land of Muslims and Christians."

Princess Tarhata recalled how the present regime has allegedly been creating a state of war between Muslims and Christians. Later, in an interview with newsmen, she revealed that in the late sixties the government organized the Ilaga, a Christian militia group which she said harassed and in some cases grabbed the lands of the Muslim people.

She added that her people organized the "Black Shirt," an armed group of mostly young Muslim men whose job was to defend Muslim communities. What started as minor encounters between the two armed groups ignited into a full-blown war between the Muslims and the Christians in the early seventies.

Princess Tarhata also revealed alleged government efforts to let her go against her own people. She said that during the heated negotiations for the autonomy of the Muslim regions, Local Governments Minister Jose A. Rono called her for a separate dialogue in Cebu City at a time when the autonomy issue was being discussed in a dialogue in Zamboanga City.

There she was allegedly told to oppose the proposed autonomy.

"Please do not destroy my people," was Princess Tarhata's reported reply to Rono.

Disgruntled over the way the government treated her people, Princess Tarhata resigned as governor in 1974 and spent the next 8 years in Saudi Arabia. She returned to the Philippines last year to, in her own words, join her people's struggle for "freedom and democracy."

Roman Catholic priest, Fr Eliseo Mercado, during the same rally last week, pledged before Princess Tarhata and the Muslim people to work for the unity of the two groups, pointing out that "we have different religious beliefs but we believe in the same God."

Nationalist Alliance for Justice, Freedom and Democracy (NAJFD) Cotabato City Chairman Norberto "Bobby" Alonto stressed that there is no reason for the Muslims and the Christians to fight against each other, adding that "we face a common problem. We have one enemy--the US-Marcos dictatorship."

The same pledge for unity was also made by both the Muslim and Christian speakers during the Human Rights Day rallies in Pagadian City, Iligan City, Dipolog City, Ozamiz City, and in Marbel, South Cotabato, as well as in human rights activities in other places in Mindanao where Muslims and Christians participated.

Political observers here fear new seeds of conflict are now being sowed to revive the rift between the Muslims and Christians in Mindanao.

They do not disregard the possibility that the recent killings of Christian opposition leaders, such as Davao City's Alexander Orcullo and Zamboanga City's Mayor Cesar Climaco, could have been "a maneuver of the powers-that-be to win the war in Mindanao."--Media Mindanao News Service

CSO: 4200/415

PHILIPPINES

ADB CHANGES DIRECTION, VIEWS IMPLICATIONS OF ECONOMIC CRISIS

Bangkok BANGKOK POST in English 8 Jan 85 p 16

[Article by Cimi Suchontan: "Quest for Investment--The Philippine Disaster: Economy on Deathbed"]

[Text] The Manila-based Asian Development Bank is urging the world to invest in Asia and is putting out bullish statements about prospects for growth in the region. The bank has also let it be known that major changes, especially in its lending policies, are in the pipeline.

But despite the ADB's optimism, the economic crisis in the Philippines has cast a shadow over the otherwise glittering performance of so much of the region. The Philippine disaster also raises important questions for other countries in the region.

The slim president of the Asian Development Bank, Masao Fujioka, arrived at the conference room as if it were just another day at the bank headquarters. Another day to meet the Press.

They do this every year. But this was no ordinary year. Although Ronald Reagan was re-elected to the presidency of the United States, the last weeks of 1984 would prove to be rocky. In the Philippines, seven hotels had been razed in a week; President Ferdinand Marcos, not seen for days, denied he was dead but his absence from public eye had sent jitters down the spine of a nation accustomed to his daily appearance.

Meanwhile Cesar Climaco, the popular opposition mayor of Zamboanga was murdered in the southern Philippines and the Press later implicated police involvement. Mid-November was a strange time in the Philippines.

Overlooking Manila Bay, the Asian Development Bank's 12-storey box-shaped complex looks like some missing link to the Pentagon. Inside its grey, stone walls, president Fujioka delivered his annual bank report.

In an articulate voice, his timing perfect, he announced the bank was considering new directions on development projects. Among them was a proposal

to give assistance in "privatisation of state enterprises" programme. A second proposal was "lending to private sector without direct government guarantee."

With these words, the bank had placed its policies solidly in line with those of most developing countries in Asia which believe private sector participation was necessary for the success of any development project. In fact, plans for the privatisation of state enterprises were already being discussed and said to be under way in Thailand and Malaysia.

Planning officials in Kuala Lumpur said the Malaysian Airline System and TV Channel 3, the new and proving very popular third television station in that country, were some state institutions that would be going public. Whether ADB and Asia can successfully implement these plans may well determine the shape of future development in the region.

The ADB is a financial institution which channels development assistance from developed countries to developing ones. The bank is owned by 45 member countries, among them Thailand.

Least developed countries (termed LDCs) receive Asian Development Fund (ADF) loans which have a nominal service charge of 1 percent per annum and are repayable over 40 years including a grace period of 10 years.

The bank gives Ordinary Capital Resources (OCR) loans to more advanced countries such as those in the ASEAN. The maturities of OCR loans range from 10 to 30 years with grace periods of between 2 and 7 years.

Between 1967-1983, the bank completed 235 loan projects and 377 technical assistance projects. Its list of projects are extensive, among which are: 83 irrigation projects covering 2.8 million hectares supporting 2.2 million people; 22 fisheries projects for 145,000 fishermen and fish farmers; 48 water supply and sanitation projects which benefit 53 million people and low-cost housing scheme for 2.5 million people.

For many Asian countries the mid-eighties will be a crucial period, a turning point. As many ASEAN nations stood on the threshold of joining the ranks of newly industrialised countries, a growing complex and uncertain world economic outlook has descended, clouding initial development plans and threatening their fruition.

Developing countries fearing repercussions of a monstrous global deficit, high interest rates and growing protectionism, have come to realise--some overnight--that the channels and rules which had guided them through the Sixties and Seventies, have become obsolete. "Rethink" is, today, a big key word.

Looking at Indonesia, said one official, one sees a country which has adapted quickly to change and has succeeded. Being a major oil-exporting country, Indonesia cut off its costly development projects when they threatened to plunge the country into financial turmoil during the oil

price crisis. Realising it could not afford these huge projects for the moment, it immediately postponed the multi-billion programmes and saved the country from going deeply into the red.

The Philippines did the opposite. Though faced with a more gloomy economic climate, the government nonetheless went ahead with capital intensive energy-projects and consequently accentuated its debt crisis. Developing countries, stressed the bank's economists, must demonstrate flexibility in managing its economy during these uncertain times.

The external debt problem caused by overborrowing from Third World countries has to a large degree, contributed to a nervous banking climate in the Eighties.

Already the ADB itself, which provided \$14 billion in loans to Asia since it was established, is feeling the pinch. It now finds that it is tougher for them to "replenish" their funds. Some lending countries are "delaying" their payments, said Fujioka. He admitted that funds from developing countries have become more difficult to come by.

To be sure, argued Fujioka earlier in Washington, D.C., Asia's developing countries include some of the world's largest debtors but "debt problems are relatively less severe in Asia than in other regions of the world."

Aid Fatigue

"Even the largest borrower in Asia, South Korea, has an external debt only about one third that of Mexico or Brazil," Fujioka said. Furthermore, Asian developing countries account for 25 percent of the \$670 billion world debt while Latin America accounted for 44 percent, he said.

Commenting on the criticism that "no matter how much aid is poured into the Third World, development will not result," Fujioka said the "so-called aid fatigue in the US may reflect some disappointment that foreign aid has not always been effective."

"This," he argued, "is not true in Asia as proved by its excellent performance."

Whether industrial countries will heed Fujioka's call for continuing the flow of funds to Asian development projects is something many bankers will anticipate in the months ahead. For the meantime, the bank is cautious. "The ADB's share of lending to the region will remain modest in the future," he said.

Fujioka, who is among the biggest supporters of Asian development in international banking, had consistently voiced his invest-in-Asia message wherever he appeared. He had voiced it in Washington, D.C. last September; he voiced it in Honolulu's East-West Centre a week later and now in Manila, he was voicing it again.

And he was doing it better than before. An old film clip to introduce to visitors the work of the ADB showed a tensed Fujioka, while introducing the work of the bank. His presentation was stiff and wooden. Today, the new change in the president reflected perhaps new-found confidence in the ADB-- a belief that it can somehow accomplish its development targets.

If the president had enhanced his credibility, what about the president's men? Indeed, the ADB is a huge bureaucracy. And many a time, it has been said even among insiders, there was considerable bureaucratic constraints. And the question of competence.

There was one instance during the news conference, where a senior ADB official, acting and talking big, responded gruffly at a question about how the ADB was tackling growing protectionism in the West. The protectionist trend, said the reporter, was one of the biggest fears among developing countries in Asia because it could easily offset development targets based on export economies. The question, included as a recent example, the controversy surrounding Philippine fruits which faced a US ban.

The official, however, retorted: "I am not aware that the Philippines is exporting food to the US." With that, he dismissed the question as irrelevant.

Apparently he did not read the leading Filipino English daily BUSINESS DAY which that morning had published the fruit embargo story. Nonetheless, protectionism was not exactly an issue born just yesterday, but an ongoing worry, particularly among ASPAN countries which depend on their export economies to balance out their equally high imports.

Had the senior ADB official kept up to date with the activities of the bank he might have been aware that Fujioka, his boss, had himself voiced concern over the dangers of protectionism less than two months before.

"Recent protectionist measures," said Fujioka in an address to the Overseas Development Council in Washington, "have involved indirect techniques such as 'voluntary export restraint,' the use of 'nuisance' measures to complicate Customs clearance procedures and increased resort to domestic legislation governing unfair competition abroad."

"These measures surely affect the ability of some developing countries to export and service their debts. Protectionism," he warned, "must be rolled back."

Fujioka's speech, it must appear, must have fallen on a few deaf ears at the bank. Time and again during the conference, when asked to comment on criticisms leveled by developing countries on the effectiveness of their technical assistance, the ADB bankers claim they could do no wrong. But when one considers that some senior officials were unaware of the very context of Fujioka's speeches, one grows doubtful of their claims.

There are, of course, capable chiefs too. Later that same morning, ADB's chief economist Mr. B.O. Campbell, in his economic outlook report on the Asia-Pacific region said that while "1984 has been a good year for all countries except the Philippines, all signs hint very strongly there will be hard times ahead for many." And it would be foolish for developing countries, he warned, to insist, as many once did, on becoming another Japan or South Korea.

The new protectionism of the Eighties; an increasingly ageing population (especially in Japan where half the population is over 50 years old); the "wrong flow of capital" from developing countries to the US--these are serious developments which put developing countries at a disadvantage.

Moreover, he said falling exports from developing countries and the strong US dollar which now made debt-servicing increasingly difficult, were but some of the prevailing trends which posed a major threat to development.

"Miracles cannot come from the outside," said Campbell, "they must also come from the inside the country itself."

"Countries which are going to do well," he predicted, "will be countries which can adapt their economies to the changing trends and use it to their advantage."

Awkward Phrase

And then came the unexpected deluge, firstly as a trickle and then in a torrent. The local Press, during a time when the Philippine economy appeared to have struck rock bottom, opened fire. For the past one year since the Aquino assassination, their economy had nose-dived. As a result, in this hotbed of economic woes, development has become an awkward phrase for many Filipinos to utter.

At the conference, where the key subject happened to be development, the participants' andrenalin levels began rising. Reporters shot shock questions at ADB officials.

For a score of visiting world economists, academicians and bankers, it was an experience they will not easily forget. They were under the impression that they were to meet the Press to talk about general economic policies, such as how domestic savings can help development. They were not expecting to become embroiled in things so nitty gritty as: how to alleviate the plight of the Philippines and save a 50 million population from a depressed economy?

Instead of attending a usual ADB annual report, journalists at the conference caught a whiff of the Philipino crisis, the problem at hand. The crisis was not something one could wish away. Once the apple in the eyes of world bankers, the Philippines story had suddenly turned sour. What went wrong? Lately, everybody from the military to the presidency to the trans-national corporations have been blamed.

Despite the crossfire of reporters questions, the ADB panel answered all inquiries sympathetically. For many Filipinos, their aim was not to give the ADB think-tank a hard time, but they really wanted to know if their country would be able to "recover."

In October, the rate of inflation was 64 percent. GNP for this year dropped by 5.5 percent and zero growth was projected for 1985. Only last week, (January 4) it was announced in Manila that the Philippines would maintain import restrictions up to 1986 despite an announcement in October that controls would soon be lifted. Monetary authorities have forced a reduction of imports since late 1983 to stave off huge capital flights and bolster dwindling foreign exchange reserves. According to Fujioka, for any country facing a crisis such as that of the Philippines, "economic recovery may take anywhere from five to six years."

But perhaps it started during the final week of our trip in late November, when things appeared to be simmering down. The peso seemed to stabilise. There was talk of recovery. Prime Minister Cesar Virata's speeches promised sweeping measures and a way out of this economic quagmire.

Nightmare

For other Asian countries the hard-learned lesson of the Philippines should not go unobserved for the situation in the republic is not entirely without similarities elsewhere in the region. Among the Asian Press group, many felt the outbreak of an economic crisis so vast it could happen to many countries, if no steps are taken to solve them. The Philippines nightmare had sparked a peculiar mood which engulfed not just the ADB but all of Asia.

Many developing countries, including Thailand should take a hard look at the Philippine example. Both countries have an agro-based economy, a big workforce and a large land area. Could what happened in Manila also occur in Bangkok?

Do the factors that contributed to the making of the Philippine disaster also exist in our own economic environment? Is our political and economic management in more capable hands? Do white elephant projects, that sunk the Philippine economy to rock bottom exist within our midst? Is there a political leadership problem lurking in Bangkok?

For those familiar with Thailand's political and economic structure, the answers are clear. "While Thailand had in the past a long period of military domination, it did not, on the other hand experience the politics of a Marcos-type clique nor its domination."

Yet there were many times in our past where we were faced with white elephant projects and fortunately, many were fended off in time by prudent reassessment. One was the Nong Ngu Hao Airport scheme which has not resurfaced for a while and the second, more recently involved some portions of the Eastern Seaboard Projects, which henceforth had been altered as the plan undergoes another phase of careful scrutiny.

Whatever side one may take in examining the Philippine-Thai economic situation, the one area of certainty which will emerge from the exercise is: economic growth cannot be sustained without maintaining political stability. The two go hand in hand.

The development stories of Nepal and Malaysia, two countries included in the ADB-sponsored Press tour, present interesting case studies and the manner in which these two countries are dealing with their own special problems provide indicators as to how far Fujioka's optimism about growth in the region is likely to prove justified.

CSO: 4200/426

PHILIPPINES

OPPOSITION WEEKLY PRAISES DAVAO MARINE COMMANDER

Makati MR.6MS. in English 21-27 Dec 84 & 28 Dec 84-3 Jan 85 pp 14-15

[Article by Ginging Avellanosa and Fe B. Zamora: "Bravo Biazon"]

[Text] This is one story that's not for telling to the marines. Something in the way Col Rodolfo Biazon moves makes him a "protector" of the people. Unlike other military authorities who are perceived as "oppressors," Col Biazon, commanding officer of the Third Marine Battalion Landing Team based in Calinan, Davao City, evokes a winning touch even from among the most heated of demonstrators. He believes in "winning hearts and minds" and he seems to be doing just that.

Warm and prepossessing, Col Biazon's engaging ways have been tested not once, but on several occasions. In one encounter with the militant members of Davao's League of Filipino Students, he succeeded in diffusing tension between students and the PC elements. The troopers had fired into the air startling the young demonstrators. One student publication rightly hailed him "Father of the militant youth."

His friendly persuasions also worked with the otherwise unappeasable evacuees from Barangay Mandug. The residents had fled their barrio, then menaced by the People's Liberation Organization (PLO) under "Kapitan Inggo." The refugees camped at Davao's city hall. Dialogues between evacuees and government officials ended in deadlock: the refugees refused to budge unless "somebody assures them of security." Col Biazon did. The evacuees returned to their homes, thus ending ten days of evacuation on the city hall's grounds.

Back in Mandug, Col Biazon "submitted" to the returning residents the PLO members the Marines had arrested in their operations. It calmed down the once terror-stricken people to see their dreaded oppressors subdued.

Recently, Col Biazon's personal touch did wonders again. During the four-day transport strike in the city, strikers forming human barricades adamantly refused to allow commuters to pass through one of Davao's main junctures, Matina Crossing. The colonel, who was on his way to a mission, came upon the barricaders. He alighted from his jeep and talked to the strikers.

He told them: "You are already going against the law." He asked for the leaders of the strike, but no one responded. Col Biazon went on to "lecture" about rights and duties and obligations of citizens. Trust Col Biazon's charm to disarm staunchly-committed demonstrators. When he requested the barricaders to give way to vehicles, the immovable wall gave in.

Then, he met with the striker's legal panel, lawyers Doming Carillo and Illuminado Macahig. Col Biazon promptly left the scene when Philippine Constabulary elements came in. Some barricaders expressed anxiety with Col Biazon gone. Some barricaders even waved "bye-bye" to the departing officer.

The next day, Matina's juncture teetered on the brink of violence when PC troopers and strikers held on to their grounds: one side implementing the law, the other invoking their rights under the self-same law. The colonel who has a knack for implementing the law and respecting the rights at the same time, was not around.

Since their deployment last year, Col Biazon and his Marines have become highly likable figures among the men-in-uniform in violence-prone Davao City. At the recent dialogue between acting chief of staff Lt Gen Fidel V. Ramos and residents of Barangay Agdao, the Marines again, rated a "by popular demand" status. Datu Dalogdogon Zuniga, an Agdao elder, urgently requested Gen Ramos to secure the place by deploying Marines. Col Biazon's winning ways have been spread all around.

The hard thing about winning hearts and minds, Col Biazon said, is "when the one who's doing it doesn't know the hearts and minds to be won." Being with the people, feeling their pulse, making them feel one's sincerity to "protect," he enumerated, "are important." "It's not a secret formula," he insisted.

CSO: 4200/415

PHILIPPINES

MR&MS SUMMARIZES SITUATION IN DAVAO'S AGDAO BARANGAY

Makati MR.&MS. in English 21-27 Dec 84 pp 12-17

[Article by Fe B. Zamora: "Davao's Tondo Is 'Nicaragdao'"]

[Text] Rarely in a young girl's face could fear and terror be so poignantly etched. But there she was, her eyes wide and scared; her lower lip quivering. Her right leg wrapped in bandage reined in the pain; pain that touched even her soul.

The girl's brother had just been shot. Dead on the spot at dawn, Dec 2 was Joel Narbay, 14, student. She was with him at the time when eight hooded men barged upon a group of barangay tanods having coffee at the Sto. Nino chapel in Agdao, Davao City. The intruders ordered the males to segregate from the females, and fired their armalites at the males. Five died, her brother included. Except for the bullet which hit her leg, the girl survived. But she saw what had happened and saw men determined to kill in cold blood.

But such is the law in Agdao. Seldom does a week pass without funeral agents hauling off bloodied corpses. Lucky is a corpse if fresh when retrieved; chances are, if the volley breaks at night, funeral agents wait till sunrise to get the dead. No one in his right mind, not even law enforcers, dare enter Agdao at nighttime.

"Silence" is another rule. If Agdao's dead men tell no tales, so do Agdao's living.

Dubbed as Tondo of Davao City, Agdao sprawls on 408 hectares of foreshore land inhabited by 126,000 souls, a large majority of which reside in low, wooden shacks cramped along a maze of dirt streets. Some high rise, owned by Agdao's well-off minority, break the skyline. But still, it's poverty, stark and pronounced, that dominates the scene.

An eyesore to urban planners and headache to the police, Agdao is also dubbed "the land of broke"--broken dreams and broken laws. According to the police, Agdao is the lair of criminal elements, hideout of syndicates and the breeding ground of Davao's gang-world. Shootouts between law enforcers and criminal elements, or among felons themselves occur amidst children romping in the streets. Gunpowder rather than stench, it is said, is the sole pollutant of barangay Agdao.

Davaoenos have coined a monicker for Agdao's newly-acquired "fame." Going international Agdao is now "Nicaragdao." Explained a student activist with Agdao's poor: "Agdao is to Davao City as Nicaragua is to Latin America."

Not too long ago, a taxi driver narrated, a poster hung at Agdao's boundary: "Enter at your Own Risk." It was meant to be read and understood.

Statistics give the clue. From Jan 1983 to Nov 1984, news reports recorded some 300 people killed in Agdao. Of these, almost one third are Armed Forces of the Philippines' elements. The rest, non-combatant government functionaries, workers, students and even children, as in the case of the Sept 23, 1983 grenade blast during the Araw ng Agdao coronation night. The tales of the missing and the injured are also staggering: on Sept 23 alone, 230 were wounded. Who were the culprits? The reports revealed predictable patterns: If the casualty was a government element (combatant or non-combatant) or civilians with "notorious" record, the New People's Army urban based liquidation squad Sparrow Unit stood "accused"; if the victim was an "ordinary civilian," the accusing finger pointed to the "abusive" military and paramilitary groups.

So casual have the killings become that Agdao's children play marbles with empty gunshells. At the residence of Agdao barangay captain Wilfredo "Baby" Aquino, two of his bodyguards usually move arms and ammo off the seats to make room for visitors. From the verandah, a man sits impassive with a high-powered rifle.

Aquino, 37, is a commercial pilot who's been serving the family of Magnolia Antonino since 1975. He's also a licensed scuba diver and an expert in rescue operations. To most Davaoenos, Aquino is a "bit of a devil," fast with the gun. He received commendation last June from METRODISCOM Chief Col Geronimo Valderrama for "Killing one unidentified carnapper." Aquino is also the "commander" of the district's Civilian Home Defense Forces, a vanishing tribe of armed civilians entrusted with police powers but more famous for "abuse of power." From 37 men when organized in 1983, 26 have been "liquidated." Of the 11 still alive, only three are "active": the rest, reported Aquino, are in "hiding."

Himself reported to be on the Sparrow's death list, Aquino has survived three assassination attempts. Tucking a .45 in his trim waist, he said, "I need this very badly." People say Aquino is a hate object in Agdao.

Aquino said he is hated (only in sitios Sto. Nino and San Miguel, he stressed) because "I support the military." Past incidents, however, point to an unsettled "score." In June last year, Aquino and his CHDF reportedly "strafed a mass of workers on strike." The strikers were workers to the Aquino-owned Davao Hotel and Aquino coliseum. Nobody was injured in that incident. Aquino was charged for frustrated murder by the labor union's lawyers. The case is still pending in court, said Aquino. But Agdao has made it clear they want him out. "Pahawaon si Baby Aquino (Out with Baby Aquino)" has been scrawled on walls, alongside the other familiar slogans, "Dismantle US-Marcos Dictatorship," "Stop Militarization,"

and "Mabuhay ang CPP/NPA." Yet Aquino has received a citation from Gen Ramos for "maintaining peace and order."

The good thing about Agdao, said the student activist, is that the people are conscientized. "The people here are aware of the issues. They are already organized. I believe Manila's urban poor should learn from us," he said.

The politization of Agdao, said a human rights worker, was inevitable. "When you have been poor for so long, oppressed and exploited, you'd look for alternatives." When did it all begin? She surmised "two or three years ago."

For nobody, it seemed, was looking in Agdao's direction when its residents discovered the alternative solution; familiar yet untried; risky yet passionately preferred over imprisonment, torture, and harassment. Better this than death, lurking at every corner. Now, not even the "hardest reactionaries" can quell Agdao, said the student activist.

A clear manifestation of Agdao's politics is participation in open, organized mass actions. Two of Davao's militant protest groups LIKADA (Liga sa Kabatan-onan sa Dabaw) and ALBAKA (Alyansa Batok sa Kawad-on) command massive support in Agdao. The former is composed of out-of-school youth; the latter, the urban poor. Both are in the forefront of mass protests in the city. In the Nov 26-29 Mindanao-wide Welga ng Bayan (People's Strike), they demanded: 1) to stop the demolition scheme and the Regional Cities Development Projects (RCDP); 2) reduction of the Slums Integrated Rehabilitation (SIR) amortization fee; 3) putting up health clinics with regular medical staff in all depressed areas; 4) to stop militarization and 5) revive Project Hope for the out-of-school youth.

In the Oct 22-25 transport strike, 51 strikers from Agdao were "picked-up" by Davao METRODISCOM elements. METRODISCOM chief Col Valderrama said the group was "guilty" on seven counts: 1) illegal assembly; 2) rally without permit; 3) obstructing traffic; 4) inciting to sedition through placards; 5) tumultuous affray through jeering; 6) vandalism and 7) setting up of tents on road shoulders which is not allowed. The group was released without charges filed against them.

Davao METRODISCOM also "invited" ALBAKA chairman Rogelio Loreto for investigation at the PC barracks. Loreto declined the "invitation" but said he would "report" the next day, Nov 30. He did. Loreto is now detained at the Davao METRODISCOM.

Terms like "salvaging," "zoning," raids, dragnets seem almost redundant in Agdao's daily existence. During the last transport strike, Media Mindanao News Service reported the military hauled off 15 persons in two separate raids in Agdao. Human rights lawyers in the city claimed five are still detained "without clear charges."

Even "passive" residents are not spared from the military's stern dealing. "Zoning," a military jargon for house-to-house search in a sealed area is usually conducted at night, waking up everyone in the houses, including children. This practice, said an activist, has disturbed Agdao and even helped convert the uncommitted.

A youth radical also hinted that already "a shadow government" exists in Agdao: a democratic coalition government.

To military minds, Agdao's politics is awash with red. Said Col Valderrama: "Agdao is a highly-influenced barangay." Barangay captain Aquino estimated "80% of the residents as NPA sympathizers." Remarked another military officer: "Agdao is the haven of communist insurgents."

Emblazoned on Agdao's walls are words extolling the Communist Party of the Philippines and its armed wing the New People's Army; glorifying the outlawed, broadly-based alliance of radical elements, the Nationalist Democratic Front; applauding the Sparrows and endorsing the countryside people's war. Alongside are strong disapprobation of the US-Marcos dictatorship, the AFP and the "isms." Sometimes, the slogans go specific: on the ouster of local officials and meting death penalties to ranking AFP men.

The urban based "communist terrorists" Sparrow Unit Davaoenos whisper about, make their nests in Agdao. The Sparrows, a small but highly-efficient cause-motivated band of hitmen prey on abusive and notoriously corrupt government and military/paramilitary elements. High on their hit list are CHDFs, PC-INP, intelligence operatives and informers. When the Sparrows strike, it's a sure kill: those in the list opt to stay out of sight. Agdao's police stations have more butterflies than cops.

Since October this year, Aquino reported the military has been conducting zoning operations in Agdao. Brig Gen Dionisio Tan-Gatue, Jr, chief of Regional Command XI explained that zoning is not an AFP standard operating procedure but resorted to in special cases i.e. to flush out the subversives. Agdao's peace and order situation, therefore, warrants the need for "zoning." So far, Gen Tan-Gatue said, the operation has yielded "negative." The general may not be aware of it, but zoning has also stirred "negative" sentiments. Oft-demanded in rallies since Oct, is "Stop military zoning in Agdao."

Agdao will be better understood, advised a Davao elder, if taken as "close-up of Davao City." What's happening in Agdao, he said, is reflective of what's going on in the entire city.

Davao City (pop. 700,000) has a unique beat. Metropolitan yet countrified, its downtown bustles with city life: snarly traffic, chic ladies, go-get-it executives, onrushing shoppers and a nightlife comparable to Manila. Yet, barely ten minutes away from the sophisticates, the squalor. A few minutes more, and the countryside looms. The city is practically ringed with semi-forests on one side and the open seas on the other. It's a metropolis attached to the wilderness.

Davao's distinct features has attracted local capitalists, foreign investors and plain seekers of the proverbial green pastures. Its seas a treasure-trove of marine products. The land, blessed by the volcanic Mt Apo is so rich and fertile, Davaoenos brag "anything will grow here." Anything, they say, "including the seeds of revolution."

Indeed, if the countrysides of the three Davao provinces (Davao Sur, Norte and Oriental) have already been classified by the AFP as "guerrilla infested" thus among the pilot areas of the government's grand counter-insurgency program, Oplan Katatagan, Davao City, said military sources, is made to order for urban insurgency. Its octopus-like geography affords exits/entrances at any point. Clandestine movements can go undetected. Also, a long-time radical oppositionist battlecry of foreign intervention in Philippine economy registers rather strongly in the city. Here, 52 multi-nationals/transnational corporations usurp Davao's resources at the cost of displacing natives. Then, there's big-time businesses identified as close to the government who are reportedly amassing land tilled by the unlettered ethnic minorities. The rich-poor gap, in the city alone, is so pronounced, according to a government agency, almost half of Davao's population live in the slum areas.

Davao City, said Assemblyman Manuel Garcia (KBL), has always been oppositionist. "The people here are exposed to all issues. It's an open field," he said. Former student leader and now assemblyman Zafiro Respicio recalled the heady students demonstrations in the 60s and 70s. Detained when martial law was declared, Respicio averred political dissent in Davao never died down despite the heavy-handed Marcos regime. On the contrary, he said, it became stronger.

In the 1981 presidential elections, a large number of Davao's electorate repudiated the Marcos government by boycotting the polls. The festering militancy rose to greater heights with the assassination of Benigno Aquino. For some time, Davao held its own Yellow Friday and chalked-in the most number of protest rallies, second only to Manila, in a year's time. In the last Batasan elections, Davao's militants claimed its second successful poll boycott in three years.

A significant development to Davao's oppositionist streak, said Atty Tony Arellano of the fighting Concerned Lawyers Union of Mindanao (COLUMN), is the "galvanization of the middle forces and the working mass." A case in point, he said, was the transport strike. On three occasions, in 48 days, Davao's streets were bare and silent when the city's jeepney drivers deserted their routes, demanding, among other things, the rollback of oil prices. Commuters cooperated by staying home. The success of the strike, added Coalition of Organization for the Restoration of Democracy (CORD)-Davao City chairman Atty Greg Andolana, would never have been possible if Davao were not "conscientized."

The strike ended with 17 dead, 11 others detained, several injured and a large number (487 according to the strikers, 387 according to the military) underwent mass investigation. Time and lives lost were further compounded

by income down the drain. Acting Mayor Cornelio Mascarino put it in concise peso terms: P30 million income lost for the city.

While the strike opened inroads for dialogues between the militant oppositionist and the city government, keen observers of the Davao political ferment see this "open mass movement" as transparent fronts of the communist faction. Said one observer: "Top cadres of the CPP/NPA in Mindanao are as homegrown as Davao pomelos."

Alleged chairman of the Mindanao Regional Party Commission, Benjamin de Vera, 38, a UP-Los Banos alumnus, is a native Davaoeno. Alleged vice chairman, Rollie Kintanar, also in his late 30s, is another native Davaoeno. To the military, their heads cost P120,000.00 each: but the people of Davao City would commend their future in their hands.

In a recent visit to Davao City, Acting Chief of Staff Lt Gen Fidel Ramos said: "Davao City is the testing ground of the country's counter-insurgency program." The shaky peace and order situation, he added, "creates a feeling of insecurity which is not good for Davao, not good for the country."

Brig Gen Jaime Echevarria, commander of the Regional Unified Command XI and Col Rodolfo Biazon, commander of the Third Marine Battalion Landing Team, during a briefing, reported that the CPP/NPA have reached the "advanced strategic defensive stage" in Mindanao. Large-scale urban guerilla warfare, they also reported, "could erupt any moment in Davao City" and will spread throughout Mindanao.

From all indications, Davao City is indeed nestling on a rumbling volcano. Observed Davao-based human rights lawyer Larry Ilagan: "Davao City is just holding back...It has to wait for Cebu and Manila." And if Davao is the listening post in Mindanao, Agdao, its most depressed but political district, is the "close-up of the city."

Already the AFP has plans to regain lost ground in Agdao. In a dialogue with the bereaved families of the Dec 2 mass slay, Gen Ramos levelled with the people's demands, i.e. imposition of curfew on minors, continuous dialogue with government agencies and the deployment of Marines or Rangers, in place of the PC/INP, to maintain peace and order in the area. But barely have the plans been finalized than a protracted threat to Agdao came true: 150 houses were razed to the ground, foreboding Agdao's fiery days ahead.

Col Valderrama, in his report to Gen Ramos on the situation in Agdao said: "Agdao is a social volcano ready to explode." But so is Davao City, a media man noted. Meanwhile, Davaoenos have christened another district as the city's counterpart to Nicaragua's Managua: Maa, an urbanized barangay south of downtown Davao, is now called Maa-nagua. It is another volcano in the making.

CSO: 4200/415

PHILIPPINES

ENRILE ON REJECTION OF HUMAN RIGHTS GROUPS FINDINGS

Makati MR.&MS. in English 21-27 Dec 84 & 28 Dec 84-3 Jan 85 pp 18-20

[Article by Candy L. Quimpo: "Enrile Rejects Findings of Human Rights Groups"]

[Text] Every week, the media reports a bloody mass of salvaging, massacre, and torture (Mr.&Ms. had a special report Dec 7-13). Through it all, propaganda swings thickly from all sides, all fronts. The military claims the New People's Army to be the culprit. The NPA points an accusing finger at the soldiery now glutting the countryside.

Last week to usher in "Human Rights Week," Mr.&Ms. claimed that growing militarization in the countryside has proven self-defeating for the AFP's campaign to gain the sympathies of the people. Responding to the Mr.&Ms. thesis, Defense Minister Juan Ponce Enrile said: "Let's take the extreme proposition that the military in the countryside will affect the hearts and minds of the people...(and) the best way to win the hearts and minds of the people is to remove the military. Then what will happen? You create a void, a vacuum which somebody will have to fill. And who is that someone? The New People's Army. Even without firearms, they can dominate the people. The question is, at that point, are we sure the hearts and minds of the people have been won by the NPA?...in many instances they dominate the population. They do not really win their hearts and minds. They are unabashedly proud of the fact that they win power with guns and bullets."

A position paper prepared by the Defense Ministry's Public Information Service admits that the country's insurgency problem is more political than military. Wherein the prize sought for in the skirmish is the loyalty and support of the people: "A battle over their hearts and minds, so to speak."

Yet fact-finding missions sponsored by human rights groups like Task Force Detainees report the opposite. During the first quarter of this year alone, TFD recorded 798 political arrests (2,088 in 1983); 53 disappearances (145 in 1983); and 108 salvagings (368 last year). Says Enrile: "(the validity of the reports) really depends on who are making the fact-finding. These people making the fact-finding, we know them but I'd rather not give my opinion on them... You have to sift between what is fact and what is propaganda."

The Ministry's position paper called certain reports of human rights violations a "grand deception campaign launched by the communist movement in the Philippines." The paper charged that there is "ample evidence" that this strategy is used by the Marxist movement "as part of their sustained campaign to alienate the people from the government and to blacken the international (reputation of the Philippine government)."

Enrile added: "These people are hypocrites. They are deceivers. They use the liberties guaranteed them by the Constitution for their protection to destroy these self-same liberties....I am not saying that there is no truth in certain cases but by and large not all the cases are products of what you call deliberate, whimsical, capricious killings."

On Nov 7, 1978, the Ministry created an Action Center (ACCENT) to examine complaints of military abuse or misbehavior. August 1979, the Ministry created a special investigation committee, later called the Ministry of National Defense (MOND) Human Rights Committee. The Committee looked into complaints of alleged human rights violations. Since its inception, the Human Rights Committee has tried hundreds of these complaints and, according to the ministry's position paper, has applied the corresponding prosecution and punishment for offenses substantiated by evidence. Headed by the Defense Ministry's Deputy Minister and Chief of Staff, the Committee is fully backed by ACCENT in its work.

Supplementing the MOND "human rights watchdogs" Acting Chief of Staff Lt Gen Fidel V. Ramos last Nov 21 created the AFP Special Action Committee led by the AFP Deputy Chief of Staff with six ranking officers "to act expeditiously on all complaints of alleged human rights violations and military abuses."

Says the position paper: "The procedures adopted by the MOND-AFP in conducting inquiries are adequate, effective and fair." Field investigations "coordinating with the human rights groups or persons who brought the complaints to their attention" are done.

Enrile gave emphasis to the law as the only guide by which the country's problems can be worked out. "If we are just going to hear sides without testing it in accordance with the law then this government is not a government of laws but a government of men--worse still, a government of rumors."

One of the greatest difficulties of the ministry, Enrile said, was obtaining the evidence to prosecute a case. "You see, many of the complaints submitted to us are in general terms," he said, "we can't punish a person on general terms. We have to investigate and when we investigate, there is usually no evidence linking persons to the crime. It's all suspicion. Suppose I suspect so-and-so to be an NPA and base all my decisions on my suspicion without concretizing evidence? Would it be just to judge on the basis of generalizations? I challenge them: present to us clear-cut evidence on any case and they will see how it's handled."

He cited as an example an alleged massacre in Bulacan in which five people were killed including a girl, the bodies later interred in a common grave. "Lawyers came to me—Attys Antonio, Dakila Castro and several others, all lawyers. I told them submit to me your evidence pointing to who did this. The military claimed it was the product of an encounter, they said it wasn't. When I asked for evidence, not one of them came back."

When queried on allegations of torture, the minister laughed wryly: "When you are caught in flagrante delicto having committed a crime, to get out of a voluntary confession, you have to claim that you were tortured."

What of scars, burns documented and photographed? "How proximate from the date of beatings were the people able to view the body of this person to be able to say that he was beaten? I went through this not only as a lawyer but by way of personal experience." Enrile cited his capture and four-month imprisonment by the Japanese during the war. "You know, when you are being beaten by anybody, you will become black and blue like lomboy (local grape). It depends on the degree of the beatings—but may be after a week, two weeks, the discoloration disappears."

In Tarlac, he said, he once had a case in which three members of the Hukbong Magpapalaya ng Bayan killed a certain Ramon Ortiz of Hacienda Luisita believing he was a soldier. Ortiz' four-year-old son was left wandering in the canefields walking through the night until he was found in Barrio San Sebastian. The three were later caught—one Eutiquio Franco, one Canlas and a third man. Ballistics showed that the empty shells on the sight tallied with their arms. "There was no doubt that they were responsible." Under interrogation, the men admitted to the crime. Later, during imprisonment, they retracted their confessions claiming torture and presenting photographs of their contusions. "I prosecuted the case in the sala of Judge Zoilo Hilario of Pampanga and proved that the wounds were self-inflicted. They didn't even present their photographer because they knew he would reveal when he took the photographs."

As for the case of Horacio Boy Morales' claim that he was tortured, Enrile maintained that at the time he was in constant contact with Morales' cousin Doming Saveda. "Saveda went back and forth to talk to me and Morales' family was visiting him and they never mentioned torture. All of a sudden, Horacio Morales claimed that he was tortured and brought it to the Supreme Court. They never mentioned that he was tortured because if they had, in spite of my instructions, I would have gone there and challenged those people who have custodial responsibility over him."

Enrile also cited the case of Trinidad Gerilla alias Clara Banez alias Trinidad Herrera alias Norma Salvador who claimed torture against Lt Eduardo Martillano of the PC, 2Lt Prudencio Regis, Jr and C1C Pat Ordon after her arrest in April 1977. The investigation conducted in May 1977 by 1Lt Cecilia Roque, a female physician at the Constabulary Station Hospital found no signs of physical injuries. "When she was released she started working for the government. Why was she willing to work for her oppressors?"

Concludes Enrile: "It really depends also whether these were self-inflicted."

Enrile asserted: "I am not trying to defend the military. But if it is the policy of the military to just kill, we would not be taking prisoners now. When (the NPA) surrenders, we take them to camp. They are not executed then and there. They are brought to camp and rehabilitated...On the other hand, ask yourself, has there been any instance when a soldier has been captured by these people and spared? None that I know of."

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PHILIPPINES

100,000 MARCHERS MEET IN BACOLOD 10 Dec 84

Makati MR.&MS. in English 21-27 Dec 84 & 28 Dec 84-3 Jan 85 p 33

[Article by John Nosenas: "Sour Notes in Sugar Landia"]

[Text] They were tired and hungry but their sun-burned faces were happy as the Bacolod crowd welcomed them with firecrackers and cheering. Led by the Citizen's Alliance for the Restoration of Democracy (CARD), the LAKBAYAN II and Welgang Bayan had covered 100 kilometers which kicked off from Escalante in the north (Dec 6) and Kabankalan in the south (Dec 5) and La Castellana in the southeast (Dec 7). The Kabankalan and La Castellana groups joined at La Carlota. The marchers from the north and from the south which had swelled to 100,000 farmers, fishermen, sugar workers, urban poor, students, teachers, lawyers, church people, medical and cultural workers, reached Bacolod simultaneously on Dec 10 at noon. According to some city residents this year's LAKBAYAN was the biggest and longest attributing the enthusiastic response of the people to the deteriorating peace and order situation and the acute economic hardships that the people are suffering.

The five-day march was to protest against human rights violations and militarization and to call for the dismantling of the US-Marcos dictatorship. Negros, the island known for sugar, is also known for the case of the Negros Nine and the Langoni Nine. According to Task Force Detainees-Negros, within ten months alone (January-October 1984) 58 people have been killed or "salvaged." The number of victims of military abuses increases every year.

In solidarity with the marchers' cause, the Federation of Jeepney Operators and Drivers' associations of Negros Occidental (FODANO) had declared Monday Dec 10 as a "rest day" in observance of the 36th Anniversary of the Universal Declaration of Human Rights.

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PHILIPPINES

DAVAO WEEKLY REPRINTS DEFENSE OF LIBERATION THEOLOGY

Davao City MINDANAO TIMES in English 22 Dec 84 p 3

['Excerpts' from "Christmas and Liberation Theology" by Bishop Antonino F. Nepomuceno, OMI: "Liberation Is a Christian Mission"]

[Text] "Do not be afraid. Listen, I bring you news of great joy, a joy to be shared by the whole people. Today in the town of David, a saviour has been born to you; he is Christ the Lord." (Lk. 2:10-12)

The Birth of the Liberator: The New Christian Mission.

In that angelic announcement and solemn proclamation of the first Christmas night, the angel let the whole world know the meaning of Christmas-- "Today...a saviour has been born to you, he is Christ the Lord." It is the birthday of the Messiah, the Redeemer, the Liberator of all mankind and of all creation. "The Word was made flesh and he lived among us."-- (John 1:14)--"Emmanuel"--"God with us."

Christ launched his public life in the synagogue of his hometown, Nazareth by solemnly proclaiming his mission, the liberational thrust of the Old Testament and taking it as his own.

In Lk 4:14-22 we read: "He stood up to read and they handed him the scroll of the prophet Isaiah. Unrolling the scroll he found the place where it is written:

'The spirit of the Lord has been given to me, for he has anointed me, He has sent me to bring the good news to the poor, to proclaim liberty to captives and to the blind new sight to set the downtrodden free to proclaim the Lord's year of favor.'

He then rolled up the scroll, gave it back to the assistant and sat down. And all eyes in the synagogue were fixed on him. Then he began to speak to them, "This text is being fulfilled today even as you listen." And he won the approval of all, and they were astonished by the gracious words that came from his lips."

Liberation, therefore, is Christ's mission, the mission of the Church, the Christian calling and our mission, "to bring the good news to the poor, he has sent me." What is good news to the poor and the oppressed? Liberation from sin and from the sinful structures of poverty, injustice and oppression is good news for the poor. The Christian mission is to bring this good news to them and awaken their individual and social consciousness to their human dignity and to the realities of an oppression not willed by God but created by men so that singly and collectively united with Christ they can stand up and struggle for their integral liberation.

In *Evangelii Nuntiandi* Paul VI clearly uses the term "liberation" in the sense of "the effort and struggle to overcome everything which condemns these people to remain in the margin of life: famine, chronic disease, illiteracy, poverty, injustices in international relations and especially in commercial exchanges, situations of economic and cultural neo-colonialism, sometimes as cruel as the old political colonialism. Between evangelization and human advancement--development and liberation--there are in fact profound links...of an anthropological order...and in the theological order..." He said that evangelization integrates "a message especially energetic today about liberation." (EN no. 29) John Paul II states "Liberation theology is too often connected exclusively with Latin America but it must be realized that its scope is universal. It is the function of theology to find the true meaning of liberation in the concrete historical context of today. It is part of the truth to call on its name to injustice, the exploitation of man or by the state: of the mechanisms and economic system." (Discourse in Rome, February 21, 1979).

Theology of Liberation

There is so much misinformation and even disinformation regarding the theology of liberation. I cannot see how any Christian can be against liberation and object to a genuine theology of liberation. How can one espouse a theology of liberation that is not liberating?

The originality of the theology of liberation lies in the fact that its point of departure is the ecclesiastical reality of the particular area, whether it be Latin America, Africa or Asia, etc. This theology is elaborated in a Christian context of poverty, dependence and underdevelopment. Its fundamental concern is with justice, the liberation of the oppressed as a constitutive dimension of the announcement and witnessing of faith. The starting point of this theology is the world of the poor, of the outcast, and this theology wishes to be the "prophetic voice," the Christian perspective of the poor. The partner in the dialogue is not essentially the non-believer, but the "non-man," that is to say, he whose situation is sub-human because he is kept on the fringe of society and knows dire poverty and where even this Christian life is threatened; "it is geared to deprive them of their greatest treasure which is God" (Pablo: Message to the People).

How should we read reality and for that matter, Sacred Scriptures? Whose perspective do we take? Do we read and interpret reality from the perspective of Christ, or not? From the perspective of the "anawin," the poor and the oppressed, or the perspective of the affluent, the rich, the dominant or the oppressor? This makes a world of a difference. It is the difference between reality and illusion, between domestication and liberation! We may again fall into a similar mistake as in the classic case of Galileo, where we perceive the illusion of the flatness of the earth, instead of the reality that the earth is round and that the earth revolves around the sun instead of the other way round. We know from Christ's proclamation of his mission what his mind is and that his perspective is the poor and the oppressed. So also, this should be the perspective of the Church and of Christians in reading and interpreting reality and the Sacred Scriptures, "the Good News for the poor" and the oppressed.

While affirming that the liberating praxis of Christians is the methodological starting point of this theology, the practitioners are always careful to "add in the light of the Gospel" or "in the light of the faith." By this they mean that the liberating practice is not an autonomous theological criterion, independent of God's Word, but that we are "doing" liberation theology when we interpret, deepen, criticize and purify every praxis of liberation (for these can be ambiguous or even debased), and confront it with the object values of faith, handed on by the Church.

Hence the theology of liberation has two sources of elaboration which constitute its methodology, namely: the reality in which the particular Church is actually living (the liberating praxis of Christians); and the objective faith of the Church, which verifies their praxis. Liberation theology proceeds dialectically from praxis to the verification provided by the faith of the Church and from that faith goes back to Christian praxis. The theology of liberation makes the synthesis between "orthodoxy" and "orthopraxis": both should characterize any sound methodological discourse of Catholic theology.

In the face of the social reality in which the Christian Community lives and acts, liberation theology is not neutral. It is prompted to criticize, not only by the historical and social data, but also by the Church's teaching which has often denounced the injustices of our society. (Liberation Theology by S. Galilea)

CSO: 4200/415

PHILIPPINES

GOVERNMENT POSTPONES SIGNING GATT CODE ON SUBSIDIES

Manila PHILIPPINES DAILY EXPRESS in English 24 Dec 84 p 18

[Text] The government has postponed to early next year its decision to sign the GATT (General Agreement on Tariff and Trade) code on subsidies because of the alleged "unfair terms of accession."

The country was originally set to sign the code this month but decided against this and instead, opted to make a preliminary determination of its accession to the code on December 31.

This decision means that local garment exporters threatened with countervailing duty (CVD) petitions in the US would not have a basis to seek for the so-called "injury tests" extended to signatories of the code.

Under US laws, American manufacturers who feel their products are prejudiced by imports can petition for the application of countervailing duties on such imports.

Petitions of these sorts can be made on the mere presumptions that the imports are subsidized in their country of origins.

However, exporters from countries that are signatories to the GATT code can avail themselves of the "injury tests" against petitioners for a CVD in the US.

Meantime, the trade and industry ministry said that the Philippines, together with other developing countries, is pressing the US government to ignore a petition by American garments firms to impose CVDs on imported garments.

Other countries affected by the CVD petitions are Indonesia, Singapore, Malaysia, Thailand, Mexico, Argentina, Peru, Portugal, Sri Lanka, Panama, Colombia and Turkey.

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PHILIPPINES

ECUMENICAL FORUM HITS COUNTERINSURGENCY CAMPAIGN

Manila BULLETIN TODAY in English 25 Dec 84 p 8

[Text] The Armed Forces' "aggressive" counter-insurgency campaign, which will include the use of napalm bombs and other death weapons, diverts attention from the root causes of insurgency and will close more peaceful venues for the people's quest for justice, according to the National Ecumenical Forum for Church Response (NEPCR).

In a statement, the NEPCR said the AFP's campaign as bared by Maj Gen Vicente Piccio, Air Force chief, is a scheme designed to stem the surging protest movement and to stabilize the tottering regime.

The group cited Piccio's statements that the "total approach" scheme to insurgency will include a detailed security plan covering 1,500 towns and cities, use of military hardware which will arrive in January or mid-February 1985 from the United States, and the use of stronger weapons.

Piccio was reported to have said that the Armed Forces have the components needed to manufacture napalm bomb.

The association of ministers, priests, nuns, and lay workers from various churches said the loss of the people's democratic rights and national sovereignty are the root causes of the people's resistance to government.

The group said that while the Christmas season serves a lull, it shudders at the possible consequences of "government's use of violence" against the people starting 1985.

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PHILIPPINES

TULFO ON NEED TO SAVE DAVAO FROM COMMUNISTS

Manila BULLETIN TODAY in English 25 Dec 84 p 8]

[Reports by Ramon Tulfo: "NPA's 'Lab'"]

[Text] Brig Gen Victor Natividad, PC Metrocom commander and chief of the Metropolitan Police Force, is doing his job of ridding corrupt people in his force in earnest.

Natividad has formed a task group to arrest soldiers, policemen, and pseudo law enforcers who extort money from vehicles carrying "balikbayans" and trucks loaded with foodstuff.

The vigilante law enforcement group has so far bagged a Pasay City traffic cop who flagged down a "balikbayan" jeepney and solicited "Christmas gift" from its driver, and three Metro Manila Commission (MMC) traffic aides.

The task group, which will now operate on a permanent basis, will arrest on the spot traffic policemen and other law enforcement people who intercept provincianos and people who come to Metro Manila to sell their wares.

The members of this group, mostly handpicked cops and soldiers, will not be wearing uniforms. They will ride in vehicles which cops flag down because their drivers have some amounts set aside for corrupt law enforcement officers.

Many corrupt members of the Manila police and the Southern Police District (SPD), which covers Pasay City, Makati, Paranaque, Las Pinas, and Mandaluyong, will go penniless as a result of Gen Natividad's order.

Hard times for the corrupt cops, good for the people.

How long can you hold on, Gen Natividad? Merry Christmas.

If the national government does not do something concrete in Davao City, the third most progressive city in the country will fall into the hands of the communists in no time.

The Agdao district, Davao's poverty-stricken and most populated area, is now pro-communist.

The communist New People's Army (NPA) has been gaining headway in its urban guerrilla and propaganda warfare against the government in Davao City.

If Davao City, which is now the NPA's "laboratory" in guerrilla warfare, falls into the communist hands, the other urban areas in the country, including Metro Manila, will probably follow.

What's the use of retiring Armed Forces generals if they are only to be replaced by recently retired generals?

Commodore Gil Fernandez and Brig Gen Simeon Ver were retired last week. Then a few days later (Dec 22), they were replaced by two generals who were recalled from active service: Commodore Ismael Aparri and Brig Gen Feliciano R. Suarez.

Whoever is responsible for the "zarzuela" in the placement of these generals definitely disagrees with Lt Gen Fidel V. Ramos, acting Armed Forces chief of staff, who has enunciated a policy of giving way to younger and promising officers in the AFP by retiring old generals.

CSO: 4200/415

PHILIPPINES

ISABELA GOVERNOR APPEALS TO NPA TO GIVE UP

Manila BULLETIN TODAY in English 25 Dec 84 p 9

[Article by Antenor B. Parazo]

[Text] Cauayan, Isabela--Gov Faustino Dy appealed yesterday to members of the New People's Army to reflect on the Christmas message of peace and return to normal lives with their families.

"It is a sad thing to witness an unusual spectacle where the government unleashes a punitive drive pitting brothers against brothers where the stakes are no less than their lives and the welfare of the country," Governor Dy said.

The appeal was contained in the Christmas message of the governor who had done a lot in the past to cause the surrender of hardcore rebels.

In return, Governor Dy has given the surrenderers employment in various government infrastructure projects. Those who were not qualified for available jobs were given sums with which to start small businesses.

Governor Dy also warned local government officials and employes against excesses in the performance of their duties "in order to convince our brothers in the hills that we are in office to serve and not to exploit."

His message also included plea to the Isabela citizenry "to break away from your old ways of ostentatious living and live within your means."

"The lessons in humility conveyed by that Holy Birth in Bethlehem should be taken by us as an inspiration to achieve a resolve to live in peace with each other," the governor stressed.

CSO: 420-/415

PHILIPPINES

CENTRAL BANK HEAD ON NEED OF FINANCIAL REFORMS

Manila BULLETIN TODAY in English 25 Dec 84 p 13

[Text] Now that the external debt restructuring hurdle has been overcome, the monetary authorities are expected to initiate policy moves addressed to the rationalization and strengthening of the domestic financial system.

A restructuring of the financial system into one made up of stronger units that are capable of undertaking the "financial intermediation process" required by the recast economic program is also being sought by the International Monetary Fund in connection with its stand-by program for the Philippine economy.

As Central Bank Governor Jose B. Fernandez Jr defined the next job, he said in a recent report to President Marcos:

"As the country moves to an ultimate resolution of the external debt problem, the Central Bank must accept for the coming year an equally important mandate to develop, administer, rationalize and make more productive the financial intermediation system which by charter it is charged to do."

The letter of intent signed by Finance Minister Cesar Virata and Governor Fernandez with the IMF expressly stated that the (stand-by) program will also address the problem of the financial sector in the Philippines, particularly the deteriorating financial condition of three public banks--the Philippine National Bank, Development Bank of the Philippines, and the Philippine Export Guarantee Corporation.

In his first and so far only public speaking engagement since becoming CB governor in January of last year, Fernandez on Sept 14 outlined in very broad terms the directions such a restructuring of the financial system would take.

He said then that the intermediation process will have to be rendered more efficient than it was today.

"It will involve changes not only in the composition of the financial system, the number of components of each segment of the system and the sizes of the various financial intermediaries but also revisions and

refinements of policies which have a direct impact on intermediation costs, interest rates, lending and investment regulations, operating ratios and reserve requirements."

He said that efficient financial intermediation means narrow spreads which in turn mean lower lending rates that the process of industrial revival requires.

For instance, he pointed out that the investment houses would have to start performing "merchant banking" functions instead of operating like banks.

"What we cannot afford to see," he said, "is a continuation of the borrow-short and lend-long activities of the investment houses."

CSO: 4200/415

PHILIPPINES

MALAYA COLUMNIST CRITICIZES OPPOSITION SUCCESSION GAMES

Quezon City ANG PAHAYAGANG MALAYA in English 26 Dec 84 p 5

["Pulso" by Elmer Mercado: "Succession Game"]

[Text] "See, no scars." This was what Mr Marcos seemed to be saying when he bared himself last week to show that he was "well and in full control" of the reins of government.

But why did Mr Marcos have to do a stunt a la Isabel Lopez to prove that he is alive?

What is in the air that various interest groups, particularly business and traditional politicians, are busy nowadays and are fighting over a "horserace" to succeed a slowly sinking Chief Executive?

The intensified people's political resistance and the doom of the economy creates a very volatile situation where everybody in the political battlefield--Marcos camp, traditional politicians, new legal opposition, open and, the underground mass movement--is jockeying for position.

This uncertainty, where nobody can control the political scenario, is driving Mr Marcos and his whole caboodle of henchmen scurrying to prop up the floundering dictatorship.

In the same breadth, similar schemes are being cooked up by interest groups from business, traditional politicians and opposition parliamentarians (i.e. fast track system and National Unification Committee) to prepare a clear path to succession.

Meanwhile, the organized force of the open protest movement--workers, peasants, youth and students, urban poor, religious and professionals, are currently intensifying their basic sectoral movements and are experiencing the most intense political repression from the dictatorship.

Succession, coup d'etat, military junta, council of leaders, fast track, slow track, national reconciliation--call it by any term--the name of the game is ascendancy to political power. And this game is intense, vicious and deceptive.

Expedient political maneuvers, alliances, unification, purges, factionalism, united front and betrayals characterize the hostilities.

The fast track system proposes a common standard bearer (presidential and vice-presidential), to be selected by a special management group, to run in an election in case Mr Marcos is removed from power via the short route (his sudden death).

The National Unification Committee on the other hand, whose proponents are opposition parliamentarians, are proposing the constitutional approach via a succession provision in the 1973 Marcos Constitution.

The immediacy of both moves cannot be negated and bypassed by anybody. The move to unite against a common foe--the Marcos regime, is a necessary ingredient in any measure to remove the dictatorship.

But unity cannot be based on the death of Mr Marcos, an option to be President, a constitutional provision in the Marcos Constitution nor by the word and intent of a particular person, group or political party alone.

If unity is to be achieved, and it must be achieved, a common principle based upon a correct and clear understanding of the balance of political forces must be realized.

Given the balance of forces--the Marcos camp, the traditional opposition, open and armed mass movement--the US' decisive role for or against any political transformation must be recognized.

But most of all, the equal status and responsibility, not consultation, of the organized progressive sectors--workers, peasants, youth and students, urban poor, professionals etc., must be recognized and insured.

Let us not forget and allow the repetition of the treachery and betrayal that happened during the 1896 Revolution.

CSO: 4200/415

PHILIPPINES

COLUMNIST PREDICTS SOCIALISM FOR POST-MARCOS GOVERNMENT

Quezon City ANG PAHAYAGANG MALAYA in English 26 Dec 84 pp 4, 5

["Town Crier" by Vic Barranco: "Post-Marcos Government Will Have Socialist Orientation"]

[Text] The recent trip of Butz Aquino to Sweden and other Scandinavian and European countries has given rise to suspicion and fear among the KBL that it had some social and political implications. Butz is a leading idea man of the opposition who works closely with Tanada, Diokno, Mitra, Soc Rodrigo and the Laurel group.

While the obvious purpose of the trip was to seek support of the Swedish human rights organizations in the Filipinos' own struggle for the restoration of human rights, justice and freedom by the Marcos regime, it is also possible that Aquino got a refreshing exposure to the social welfare system in Sweden and other countries of Europe as his assassinated brother Aquino had. The strong current of socialism is about to write finis to 20 years of the KBLs rambling and indecisive rule, including the last 12 years of the most severe and uncompromising dictatorship.

I would personally take a risk with a conjecture that socialism will underlie prominently the new post-Marcos political, social and economic era in the Philippines under the opposition government. The more liberal features of the conventional socialist system which are congenial to the Filipinos who have rejected totally the Marcos abstract and mercurial ideas of a Utopian martial law will most likely be integrated into the desirable fabric of the new life and pleasant frontiers of the Philippine community under the solidified opposition groups who will next govern the country.

The Filipino people, specially the young generation, who are now wide awake and enlightened, will be looking forward to a social welfare order under genuine political leaders and statesman in the Opposition. The line of resistance and advance in their protest rallies and demands are socialist oriented. This is specially manifest in the Philippine labor unions' struggle for reforms which might as well be, although the KBL leadership and the military insist on confusing the non-violent socialist movement with the communism to denigrate socialism.

The new social welfare society will eventually be under the new set of anti-Marcos, anti-martial law leaders who have Christian sincerity, goodwill and wisdom; who have the courage of conviction; leaders known and tested for their self-abnegation and unswerving integrity in the service of the poor and dispossessed rural folks, leaders of genuine patriotism; heroes who are defenders not only of a strip of land publicized as Bessang Pass, but of the entire country; heroes not only of the new rich but of the entire citizenry.

The Marcos ideology of "democratization of wealth" is a grand deception and a twist of the political philosophy and economic theory of Adam Smith, the leader of the great group of economic classicists in England with the great book "Wealth of Nations" as their primer. Adam Smith's emphasis on the factor of labor has been twisted by Marcos and the Russian communists to advance the totalitarian and Fascist system (one party government) in the Philippines.

Socialism, as a cooperative social and economic system, is possible of implementation only under democratic processes. It has been sweeping throughout the world as a concept and force for human rights, equality, freedom and bounty for the masses. It is a force because it fights oppression and exploitation of the people. It is incompatible with imperialism and revanchism for the revival of the Marcos-sponsored plutocracy of the new rich "cronies" of the exclusive KBL club.

The splintered opposition which hope to be reunited soon by self-imposed restraints on their political ambitions, and by concentrating their efforts under a common denominator of a socialist order and thus get into the mainstream of a triumphant world welfare movement, will surely take over the reins of Philippine government by the next popular election.

But socialist concepts as they now sweep over an enlightened Western Europe, Australia, and America, need not be utilized as a political platform or issue by the Opposition in the coming election. It may be taught and embraced by the Filipino people as part of their earnest struggle for the last 20 years under the KBL oppressors. The opposition must impress socialism upon the people as the new social, economic and labor order woven into the fabric of popular government with the political philosophies, ideas and sacrifices of such Filipino greats as Quezon, Roxas, Quirino, Magsaysay, Recto and Laurel. The goal to be ultimately attained should be understood as the Second Magna Carta of the world, as history's First Magna Carta, some 13 centuries ago, was that of King John of England.

The political issues against the KBL and Mr Marcos have long been lined up. The Filipino electorate know them well. They are the issues that the military are trying to repress in the rallies, in the factory strikes, in the parliaments of the streets. They are the issues that are heard in the university campuses, in the institute seminars, in the teachers' conferences and even in the government offices where they are voiced mostly in whispers. They are the issues guaranteed to topple the Marcos regime, and its best campaigners, the Comelec.

CSO: 4200/415

PHILIPPINES

EDITORIAL QUESTIONS PROGRESS OF AFP REFORM

Quezon City ANG PAHAYAGANG MALAYA in English 26 Dec 84 p 4

[Editorial: "What's Going On in the AFP?"]

[Text] What's the matter with the Armed Forces of the Philippines? Are its signals getting crossed or something?

Last Sunday, the newspapers published that Acting Chief of Staff Fidel V. Ramos, had ordered the court martial of a Lt Col Eufracio Canezal of the Army Reserve Command's 11th Regional Home Defense Unit for alleged graft and corruption.

Yesterday the same papers quoted Philippine Army commanding general Josephus Q. Ramos as having said that Canezal had already been tried by a court martial created by the Arescom last Feb 3, 1984 and that he had been acquitted.

Now, which is which?

The news story also came out earlier, based on an announcement of the AFP general headquarters, that President Marcos had approved the "assignment of two recently retired generals" to positions vacated by extendees Commodore Gil Fernandez, Western Command chief, and Brig Gen Simeon Ver, 51st Engineer Brigade, both retired a few days ago.

The lucky "recently retired" replacements were identified as Commodore Ismael Aparri and Brig Gen Feliciano Suarez.

Obviously, Aparri and Suarez had been recalled to active duty from their retirement by the President.

We thought that Lt Gen Ramos has already stopped the demoralizing practice of recommending the extension of the services of retirable officers.

In the case of Aparri and Suarez, they were not merely extended; they were recalled after their retirement and given new juicy assignments.

Are we back to square one?

CSO: 4200/415

PHILIPPINES

SISON ASSESSES NPA GROWTH

Quezon City ANG PAHAGANG MALAYA in English 26 Dec 84 pp 1, 2

[Article by Philip Lustre]

[Text] Political prisoner Jose Maria Sison yesterday said the outlawed Communist Party of the Philippines' military arm, the New People's Army, is "getting stronger nowadays, and has reportedly neutralized government forces in several areas," particularly in Mindanao.

Assessing the current communist movement in the country, Sison, whom the military tagged as the CPP chairman when he was captured in 1977, said the CPP-NPA-led armed struggle against the Marcos government is now in the "advanced stage of strategic defensive" and that "it will soon pass into the stage of strategic stalemate."

The CPP has divided its armed struggle into three stages: "strategic defensive," where government forces outnumber those of the CPP-NPA; "strategic stalemate" where both forces have reached equal strength; and "strategic offensive" where the CPP forces outnumber those of the government.

"Platoon-sized" offensive operations are commonplace in the 40 guerrilla zones covering some 500 municipalities. In certain areas, company size or even larger offensive operations are becoming more frequent," Sison told Malaya in an interview.

"The NPA is reported to have some 10,000 automatic rifles, and it is growing at an accelerated rate in close to 70 provinces," he said. "It is not difficult to rise from the level of 10,000 rifles to 25,000 rifles before 1987 through intensified armed struggle," he added.

"The CPP has trained and developed through armed struggle at least 200,000 cadres and members in order to lead the people in all barangays of the 1,500 municipalities and cities," he said.

The CPP claims it has 30,000 members as of the end of 1983, while the NPA has about 20,000 fulltime and part-time guerrillas armed with 10,000 automatic rifles.

The government claims the NPA has only between 7,000 to 10,000 fully armed guerrillas scattered all over the country.

Sison said "the stage of strategic defensive is already maturing and about to pass on to the stage of strategic stalemate," as shown by the fact that "elements of the strategic stalemate have already appeared in several areas particularly in Mindanao."

Sison said the CPP-NPA forces will soon equal the strength of the military on a nationwide scale "when temporary seizures of towns and provincial capitals as well as the annihilation of enemy companies or even battalions have become commonplace in all regions outside of Metro Manila."

He did not give any timetable on the three stages of the CPP-led armed struggle, although several cadres claim that major military victories will be commonplace by 1990.

He said several countries, notably the US, Japan, Soviet Union and China, have perceived the CPP-NPA led armed struggle as a "growing serious challenge" to the Marcos government.

Explaining the factors for CPP-NPA growth, Sison, who described himself as a "serious student of political history," said the outlawed party has "correctly and successfully" applied the Marxist-Leninist theory and that it has become "deeply rooted" among the Filipino people, especially the workers and peasants.

"So far, there has been no big error or failure of such proportion as to cause serious damage to the entire revolutionary movement," he added.

He ruled out any possible CPP coalition or reunification with the Moscow-backed Partido Komunista ng Pilipinas (PKP) describing the latter as a self-destructive and moribund group."

He said the PKP committed "political suicide" when it surrendered to the Marcos government in 1974.

CSO: 4200/415

PHILIPPINES

USSR CULTURE OFFICIAL LAUDS RIZAL

Manila BULLETIN TODAY in English 26 Dec 84 pp 1, 10

[Text] Moscow (PNA/Tass)--"Jose Rizal's humanism is in keeping with the spirit of our time. It is exactly for this humanism that we love him and revere his memory."

Those were the opening words of Tamara Golubtsova, deputy minister of culture of the Soviet Union and president of the Soviet-Philippine Friendship Society, at a meeting to observe the anniversary of the death of Jose Rizal held in the Moscow Friendship House.

The meeting was attended by activists of the Friendship Society, Orientalists and representatives of the Moscow public, and Philippine diplomats.

This was the 10th meeting of its kind. Each of them discussed one of the aspects of Rizal's versatile activities and invariably made the conclusion that he had been a man of great talent.

By the wide range of his interests and knowledge, he can be compared with encyclopedists of the 18th century and masters of the Renaissance.

The speakers also noted Rizal's talent as a researcher and educationist. Golubtsova emphasized that his activities had the aim of awakening the Philippine people's national consciousness.

"That was the reason of his interest in history, ethnography, philology, and linguistics. Rizal's research into the history of the Philippine archipelago revealed the roots of the Philippines' struggle to win independence for their country," she said.

Golubtsova also said the data obtained by Rizal in social sciences have gained him popularity and evoked European scholars' interest in the Philippines. Rizal tried to channel this interest into world studies of Philippines and to set up an international association of experts on the Philippines.

Prof L. Venkin described Rizal's early works on Philippine history and ethnography, and efforts to create Tagala orthography.

CSO: 4200/415

PHILIPPINES

SABOTAGE CAUSES LENGTHY POWER SHORTAGE IN NEGROS

Manila BULLETIN TODAY in English 26 Dec 84 pp 1, 10

[Article by Pinky Colmenares]

[Text] It was a "black" Christmas in most Negros Occidental yesterday with the almost month-long power shortage allowing certain areas a maximum of only three hours of electricity a day.

The acute power shortage was caused by a series of sabotage operations which toppled at least one transmission tower, twisted the lines of another and pilfered about 2,000 metres of cable wire.

Authorities at first blamed the New People's Army (NPA) for the sabotage operations, but the twisting of the lines of a Himamaylan tower showed that heavy equipment were used in the operations.

At a press conference, Brig Gen Isidoro de Guzman, head of the Regional Unified Command, discounted the possibility of NPA involvement. He said that some local officials and private individuals are either directly involved with or are protecting the culprits.

According to Monico Puentebella the power shortage started Dec 1 when a National Power Corp (NPC) tower, standing between Himamaylan and Kabankalan towns was toppled. Puentebella is coordinator of a project which aims to bring the problem to the attention of President Marcos.

Two days before repair work would have restored power in the affected areas of the province, about 2,000 meters of cable wire were found pilfered in Himamaylan and about two kilometers of power lines stolen in Hinigaran town.

When repair work was again about to be completed, another NPC tower in Su-ay, Himamaylan, was found to have been "twisted at the top," Puentebella said.

He said this was the tower bringing electric power directly to Bacolod City from the Palimpinon Geothermal Plant in Negros Oriental.

Puentebella said Operation Kasanag, headed by Bacolod City Mayor Jose Montalvo, is preparing a petition to President Marcos and Energy Minister Geronimo Velasco.

The petition will be carried by Assemblyman Jose Varela, deputy minister of energy. The petition also asks that a power barge be brought to the province to provide electric power there.

Three years ago a power barge was sent to Negros Occidental to remedy a power shortage then caused by repair work on the Central Negros Electric Cooperative (Ceneco) facilities.

CSO: 4200/415

PHILIPPINES

OFFICIALS QUESTION PALAWAN CONTRACT AWARD TO ROK

Manila BULLETIN TODAY in English 26 Dec 84 p 5

[Text] The Ministry of Public Works and Highways (MPWH) has awarded a P70-million Palawan road project to a South Korean construction firm after rejecting the lowest bids submitted by three Filipino firms.

Some officials of the Philippine Constructors Association (PCA) had earlier sought clarification from the MPWH why it awarded the Asian Development Bank-funded road project to a foreign firm.

Documents of the road project and the MPWH recommendation to award the project to Hanil Development Co have been submitted to the ADB for final consideration.

The contract to build the Aramaywan-Puntabaja-Quezon road in Palawan under the Palawan Integrated Development project (PIADP) will automatically go to Hanil should ADB uphold the MPWH's decision.

Hanil's bid offer of P68.9 million or 2.19 percent below the P70.5 million approved agency estimate (AAE), better known as the government estimate, was considered the fourth lowest complying bid in an international bidding held on Sept 18, 1984.

The three lowest bids were submitted by R.L. Umali Const Corp (P51.8 million or 26.5 percent below AAE), R.P. Agustin Construction (P54.69 million or 22.4 percent below AAE), and E. Ramos Construction (P63.1 million or 10.47 percent below AAE).

Oscar Rodriguez, MPWH deputy minister and chairman of the prequalification bidding and awards committee, said his committee decided to reject the bids of the three Filipino firms as being "non-complying and non-responsive."

Rodriguez's stand adopted the recommendation of the MPWH's engineering consulting firm, Technosphere Consultants Group, which claimed that the three lowest bidders "committed a common error in the interpretation of the scopes of work."

This resulted in the "serious underestimation and incorrect unit bid prices" in embankments and roadway and drainage excavation.

The stand of Rodriguez's committee was upheld by MPWH Minister Jesus S. Hipolito as further recommended by Teodoro T. Encarnacion, assistant minister for planning; Candelario A. Patino, Bureau of Construction director; Augusto F. Perez, Bureau of Equipment director; and Jose V. Salvador Jr, project director of the Philippine-Japan Friendship Highway project loan office (PJHL).

CSO: 4200/415

PHILIPPINES

PIMENTEL PRESIDENTIAL MOVEMENT LAUNCHED

Manila BULLETIN TODAY in English 26 Dec 84 p 5

[Text] The Aquilino Pimentel for President Movement has been launched by civic leaders in Las Pinas and Paranaque.

According to its organizers, the movement was formed after a series of consultations made with a group of citizens and prominent businessmen in the two municipalities.

Pol Tolentino, one of the prime movers, said the movement doesn't intend to prejudice whatever decision a unified opposition may produce in the days to come in the matter of choosing the presidential candidate.

"The choice was made out of continuous dialog and conference with the people. However, whoever the unified opposition may field in the 1986 polls, the movement shall abide with it," he said.

The movement intends to take up several important matters with Member of Parliament Jaime Ferrer and businessman Dr Pablo Olivares who have thrown their support to the ideals and objectives of the movement.

CSO: 4200/415

PHILIPPINES

POLITICAL LEADERS ASSESS CHANCES PRIOR TO 1986 POLLS

Manila BULLETIN TODAY in English 27 Dec 84 pp 1, 5

[Article by C. Valmorla, Jr]

[Text] Political leaders assessed yesterday the chances of mayoralty aspirants of both the opposition and the Kilusang Bagong Lipunan (KBL) in Metro Manila, particularly Manila and Quezon City which have reassumed the posture of opposition bailiwicks.

With only 12 months to go before the start of the campaign period for the Jan 30, 1986 local elections, granting that the polls will be held as scheduled, the jockeying for party nomination seems to have intensified.

In the City of Manila, Member of Parliament Gemiliano Lopez Jr is said to be the leading opposition contender not only because he has the sympathy of top party leaders like MPs Neptali Gonzales and Ramon Mitra Jr but also because he has been aspiring for the mayoralty post since the last local elections in 1980.

However, leaders of MP Lito Puyat claimed that if the last Batasan elections were to be made as basis, Puyat should be the opposition bet because, according to them, Puyat got more votes than Lopez.

Also hoping to enter the fight is MP Lito Atienza whose aspiration is anchored on the Kalaw-Salonga Liberal Party (LP) rebirth starting with the 1986 local elections. Atienza hopes to be the LP standard bearer in Manila.

This means there will be at least two opposition bets for Manila, who would either be Lopez or Puyat for Unido and possibly Atienza for the LP.

But a major political consideration underlying all this is the thinking among opposition bigwigs that the number of opposition members in the Batasang Pambansa should not be reduced, in which case the opposition might decide to look for a non-Batasan member to carry its fight in Manila. Among those being mentioned are former Sen Ernesto Maceda and Joey Lina who is said to be a personal candidate of Cory Aquino.

On the KBL side, Mayor Ramon D. Bagatsing is still the leading contender, although some City Hall sources close to the mayor were reported to have said he is not really keen on getting the KBL nomination "preferring instead to run as an independent candidate."

If sources were correctly quoted, then former Manila Councilors Antonio Evangelista or Chito Lucero who is banking on his youth connections may yet be the KBL candidate. Evangelista is said to have the support of Deputy Prime Minister Jose A. Rono.

Vice Mayor James Barbers who is known to harbor mayoralty ambitions may not accept the nomination if offered to him, sources said. His condition for running as a KBL candidate is said to be his appointment as mayor six months before the elections.

Although lying low, former Assemblyman Gerry Espina may yet be the KBL ace bet, considering his reported mass support and popularity with the Visayan and young voters of Manila. Having received the highest number of votes among the KBL bets who lost in the May 14 Batasan elections, Espina followers say that on a one-on-one election contest where voters would tend to seriously scrutinize qualifications of candidates, Espina may just be the candidate the KBL needs to blunt the generic opposition in the city.

In Quezon City, the KBL leadership may be forced to field Metro Manila Vice Gov and MP Ismael Mathay Jr against former Councilor Andres V. Genito Jr for the mayorship. Genito had announced he would run for the post against all comers. QC needs a strong KBL bet against Genito who is considered the man to beat. If Mathay runs, Vice Mayor Steve Sarino, heir-apparent of the late Mayor Norberto S. Amoranto, will have to play second fiddle again.

The Pilipino Democratic Party-Lakas ng Bayan (PDP-Laban) was reported ready to field a strong candidate.

CSO: 4200/415

PHILIPPINES

SECURITIES COMMISSION ENDORSES MERALCO CP FLOAT

Manila BULLETIN TODAY in English 27 Dec 84 p 14

[Text] The Securities and Exchange Commission (SEC) allowed yesterday the Manila Electric Company (Meralco) to float P500 million worth of short-term commercial papers (CPs) in spite of findings that the utility firm may find rough sailing this year.

The SEC nod was prompted by recommendations of the Credit Information Bureau, Inc (CIBI) that Meralco can only register its securities under a special registration process.

The firm was found to have a limited capacity to service additional debts. At the start of this year, it has been suffering reverses in selling electricity to its more than 1.2 million consumers within its franchise areas in Metro Manila and neighboring provinces.

While it was found that Meralco cannot service additional debts, it was expected that it will be given the means to pay through a power rate increase. Meralco, the country's largest electric utility operator, has been considered a supplier of essential service to the public.

But with the prevailing economic conditions, Meralco is expected to suffer a major drop in its revenues at the end of this year. During the past first six months, Meralco estimated that it lost about P50 million owing to the drop in sales of electricity.

Added to this is that the company had to contend with soaring prices of raw materials and equipment and high interest rates. These difficulties could jeopardize the company's capability to service its debts.

The volume of the firm's short-term borrowings could be reduced if government and related agencies with heavy accounts from Meralco would pay promptly or at least update their accounts, highly informed sources said yesterday.

The CIBI, on the other hand, recommended an alternative, that is, to allow the company to change interest on overdue government accounts as it pays interest to the National Power Corporation (NPC), the state-owned firm which supplies Meralco with electricity for sale to the consuming public.

With the current economic difficulties, Meralco has to borrow P4.50 for every peso it invests with a net profit margin of 78 centavos for every peso put in.

In view of the high debt to equity ratio (current and recomputed based on the recent amount applied for), the commercial paper floatation of Meralco may only be registered under the special registration process.

The company's selling agent is PCI Capital Corp and has committed a credit line of 20 percent of the P500 million with PCI Bank.

CSO: 4200/415

PHILIPPINES

VALENCIA ON DETRIMENTAL EFFECT OF OPPOSITION UNITY FOR NPA

Manila PHILIPPINES DAILY EXPRESS in English 27 Dec 84 p 4

["Over a Cup of Coffee" by Teodoro F. Valencia: "Unity Moves Hurting NPA"]

[Excerpts] The all-out opposition campaign for unification and participation in the 1987 presidential election was a blow to the NPA dream of getting the opposition groups to join their fight against the establishment. In a sense, what's going on is a victory for the Americans who want the opposition and the KBL irrevocably on the side of the democratic system while the communists take the other side. The Americans could not care less of a Nicaraguan situation were to develop--a polarized communist group versus non-communists fighting to the death.

The NPA view is that the Americans supported Ninoy Aquino during his American stay and his bold move to return to the Philippines because the Americans knew that only Aquino could have unified the opposition to give the KBL a run for its money. A KBL versus opposition election would, in the American view, establish that democracy reigns in this country. In this context, the events of the recent past and what goes on can be easily understood. The communists will fight on no matter how long the struggle. They have no other choice.

In Davao City, residents are learning the hard way how their indifference has emboldened the lawless elements into taking advantage of their cowardice and lack of faith in the law agencies. They have become so cowed that they just look on helplessly when their houses are raided and robbed by people they don't even dare identify. The law agents can only function with the cooperation of the citizens. Without that cooperation the people might as well resign themselves to their fate.

An opposition leader talking some sense about how to achieve opposition unity is MP Luis Villafuerte of Camarines Sur, a former KBL and cabinet minister. Against his idea but also working for unity are two non-politicians who were thrust into national prominence under different circumstances--Cory Aquino and Jaime Ongpin, businessman who came into national prominence because of his feud with his brother Roberto Ongpin, the minister of trade. No further comment.

The religious who have found politics to be the road to glory instead of religion, were on the attack even on Christmas Day. Not the communists-- they knew the ground rules of combat. For then, Christmas was truce. No demonstrations, no rallies, only peace. But the sermons were not similarly friendly nor anywhere near truce. I recall no other Christmas past where the religious did that.

CSO: 4200/415

PHILIPPINES

BANKS DEMAND STEPS TO INSURE COMPLIANCE WITH IMF

Manila PHILIPPINES DAILY EXPRESS in English 27 Dec 84 p 16

[Article by George T. Nervez]

[Text] Foreign banks want a two-step restructuring of public sector debts and those assumed from the private sector to make sure that the country will comply strictly with its commitments to the International Monetary Fund (IMF).

The proposed restructuring scheme endorsed by the 12-bank advisory committee involves a total of \$5.8 billion owed by the public and private sectors falling due from Oct 17, 1983 to Dec 31, 1986.

Under the plan, public sector debts were divided into tranche A debts, which includes those maturing between Oct 17, 1983 and Dec 31, 1985, and tranche B debts or those falling due between January 1, 1986 and December 31, 1986.

The debts will be restructured for 10 years starting Dec 31, 1984 with five years grace period. Repayment will be in 11 equal semi-annual installments starting December 1989.

As envisioned, restructuring of tranche A debts will become effective on the date of each individual restructuring agreement.

But, the restructuring of tranche B debts will be effective only after IMF conditions have been complied with.

Among these conditions are:

--The Philippine government has complied with the performance criteria applicable to Sept 30, 1985 under its standby program with the IMF.

--The performance criteria under the IMF program through March 31, 1986 have been established.

--The Philippines has requested its official lenders, insurers and guarantors to reschedule debts falling due between Jan 1, 1986 and Dec 31, 1986 on terms similar to those granted by the foreign banks.

--No default on principal and interest payments covered by the new money facility.

As agreed with the 12-bank advisory committee, the restructuring program will only apply to the principal portions of specified debt, particularly:

--All indebtedness for borrowed money or the deferred purchase price of property, and all deposit liabilities.

--Those owed to a bank or financial institution.

--Those payable in foreign currency.

Debts excluded from the restructuring program include:

--Publicly issued bonds and yen denominated registered private placements.

--Floating rate certificates of deposit and notes, including floating rate notes, if not beneficially held by a financial institution in its portfolio.

--Loans from multilateral agencies, such as World Bank and ADB.

--Spot and forward foreign exchange contracts (excluding peso-dollar swaps) and precious metal contracts.

--Interbank placements in the foreign agencies, subsidiaries and branches of Philippine (public and private banks).

--New credit facilities initially extended after October 17, 1983.

--Obligations under commodity hedging lines (including, but not limited to margin calls).

--Lease obligations in respect of movable property.

--Central Bank overdrafts and outstanding debts covered by the revolving short-term credit facility.

--Financing, secured by legally-recognized security interests in ships, aircraft and other movable tangible assets.

The restructuring program is part of an \$11 billion financing package that the country is finalizing with its official and commercial lenders.

It includes \$925 million new money, \$5.8 billion debt restructuring, \$3 billion revolving trade credit, and \$1.1 billion new official development assistance.

CSO: 4200/415

PHILIPPINES

ASSEMBLYMAN DENIES SUPPORTING DAVAO DEL SUR NPA

Davao City PEOPLE'S DAILY FORUM in English 27 Dec 84 pp 1, 8

[Text] Assemblyman Alejandro D. Almendras has denied accusations that he is supporting the New People's Army in Davao del Sur.

The assemblyman from Davao del Sur made this clarification in the wake of an intelligence report that he is supporting the NPAs after a top commander of the rural guerrillas listed him as the number one supporter of the movement in the province.

Almendras said that he helps everybody who comes to him for help "not knowing that some of them are NPAs."

"Simply because I gave them money when they come to me asking for help does not make me also an NPA," Almendras said.

"In the first place," he added, "I do not even know that they are NPAs when they came to me asking for help."

Almendras said "I am a guerrilla officer during the Japanese invaders why Japanese occupation fighting should I then support the communists now?"

"I have already been a senator for many terms and there is therefore no reason why I should join the communists this time," he said.

Almendras said that in a communist system one cannot even solicit Christmas gifts from other persons or resort to "dilihensia." "There is no free enterprise in a communist country," Almendras told his listeners who are in his Matina house mostly asking for Christmas gifts and other financial favors from him.

Almendras, however, said that there are also some good points about the NPA guerrillas one of which, he added, is they are against corrupt and abusive military officers.

"When I was a guerrilla officer, I arrested and jailed an abusive American Major for raping our Filipina women during the Japanese occupation," Almendras said as he amplified what he meant when he favors the NPAs campaign against crooked soldiers.

Almendras, however, stressed he will never become a communist saying that "I was also a soldier during the war."

CSO: 4200/415

PHILIPPINES

ARTICLE TARGETS CITY CHURCH AS 'HOTBED OF NPA HITMEN'

Davao City THE MINDANAO DAILY MIRROR in English 27 Dec 84 pp 1, 7

[Article by Jose-Mari Torrecampo]

[Text] The church is the house of God.

Which explains why the Catholics insist the word should be spelled with a capital "C" and make the sign of the cross when passing by genuflecting on bended knees when the church door is open wide.

No other place in the world elicits such reverence from people as the church which, in practically every town in the islands, is both a landmark and symbol of everything that is true and good and beautiful.

And there's that ambience churches project: of peace and tranquility and a sacrosanct quality--a place not to be defiled by man.

And the church has always been thought of by people--of whatever creed, color or race--as a sanctuary for those who are troubled, who seek peace of mind. The church to many is a well-spring of renewed hope and faith.

Alas, some churches today seem to have lost their sancrosanct quality--through no fault of their own but through the ambition, the greed, the blind beliefs of some of God's children.

Perhaps we should blame that too, to changes wrought by time, by human needs and contradicting ideologies, by upheavals in social, cultural and social structures and the conflicts of human values.

O tempora! O mores.

That phrase has never been right as in our times.

Look what's happening to one of the city's well-loved churches: the Redemptorist Church. It's fast acquiring a certain negative image one doesn't usually identify with churches as houses of God, as places of worship where peace and tranquility reign, where one's spirit, hope and faith are renewed after communing with his Creator.

Many Catholics hereabouts don't like it.

And they are angry--and very vocal too--at what's happening there, at the way it's being "used" by certain sectors to promote their ends.

"The premises of the church, the neighborhoods around it, have acquired a certain negative atmosphere," a member of a Catholic organization said. "It's an atmosphere that elicits fear to peace-loving people. The series of killings in the area make many of us afraid to hear mass there as we did in years past."

The lady has something there.

"The church premises," so says a newsman, "have become the stomping ground of rallyists, demonstrators and human barricades the past several months."

"A hotbed of NPA hitmen!" a foreigner, a stringer for an international news agency, said, "I have statistics to show that several military men, members of the police and innocent civilians had lost their lives there since 1981."

How many people had been senselessly killed by NPA hitmen in the vicinity of the church and its immediate neighborhood?

Off hand one remembers Edgar Nagar. The fighting young newsman who just couldn't hold his tongue as a radioman nor hold his pen as the "Mindanao Daily Mirror's" top reporter in his relentless campaign against NPA violence and terrorism. Nagar fell from terrorists' bullets in 1981--after creating a name for himself as the enfant terrible of local journalism.

And Patm. Pinky Aquino. Shot right inside the church itself. By terrorists who didn't stop pumping bullets into him even after he had fallen. Aquino is still in the hospital.

Last Nov 27, Leo Advincula, brother of Manual Advincula, a PC soldier, also lost his life from NPA bullets in the same neighborhood.

Last Saturday, Dec 7, Sgt Julio Banua, 38, of the 431st PC Company of the Davao Metrodiscom, also fell from terrorist bullets--only a few meters away from the church.

Who will be next?

The way the church premises are being used by rallyists and demonstrators--who are being "used" by certain sectors to promote their ends--and the way the NPAs have found the area a "feasible place" for killing military men, INP members and innocent civilians the next victim may not be far behind.

God isn't blind of course. Perhaps--just perhaps--in His mysterious way He is "manipulating" things, making His own House a "sacrificial entity" that we, in Davao, would be able to see better: that the misguided elements and those who "ride over the situation" will not stop to promote their ends--even by defiling the House of God.

Unfortunately, we Filipinos have this talent of making a joke out of any situation, weirdly at times--even if the situation is tragic and smacks of blood and violence. Some people now refer to the Redemptorist Church as "Redemp-terrorist"--a joke many Dabawenyos don't like.

CSO: 4200/415

PHILIPPINES

STUDENT UNREST AT MINDANAO STATE UNIVERSITY REPORTED

Cebu City VISAYAN HERALD in English 27 Dec 84 p 3

[Article: "Campus Militarization"]

[Text] No other academic campus in the Philippines today is as heavily militarized as the Mindanao State University in Marawi City, Lanao del Sur.

Its 1,000-hectare span--only 400 hectares of which is occupied--accommodates 7,900 students, one Army company, one military police company, 450 university security guards and an undetermined number of paramilitary men whose sole purpose was said to be to protect the governor and University president Ali Dimaporo.

The Army and the military police are armed with high-powered guns, and so are the university guards who are brandishing weapons such as M16, carbine and Browning Automatic Rifles. Dimaporo's personal guards roam the campus in ordinary dresses, totting M16 and garand rifles.

The university's security force and Dimaporo's men exercise police powers such as making arrests, detaining, interrogating and picking up students from their homes even in the middle of the night.

On August 21, a day when a prayer-rally was scheduled to be held inside the campus in commemoration of the assassination of Benigno Aquino, six student leaders, a political science instructor and a French Catholic Minister were arrested by the University security force and accused as "subversives."

Arrested were: Fr Michele de Gaur, Roman Catholic Minister; a certain Miss Fianza of the political science department; Lito Dales, president of the College of Business Administration Student Council; Raul Arsenal, the priest's student assistant; Bong Ibrahim, vice-chairman of the League of Filipino Students-Mindanao; Dodong Mahilom, chairman of the Political Science Student Council and another two unidentified students. All eight were detained inside a PC camp in the city.

The students immediately organized a delegation and started to march to the camp to claim the eight arrested persons. Before reaching their destination, they were met by gun-wielding bodyguards of Dimaporo who ordered them to disperse. The leader fired three shots from his .38 caliber pistol but the students merely dropped to the ground, determined to hold their ranks. The leader then grabbed an M16 automatic and fired above the heads of the students. The students scampered to safety and many were hurt during the commotion.

The eight were released by noontime the same day and the university administration called a dialogue days later. The students said that the dialogue failed as the security force insisted on having their police powers. They also said they were not assured that the harassment would not be repeated by the security guards and Dimaporo's men. Meanwhile, Dimaporo has ordered all student organizations to re-register with the university security office, a move which the students said was a clear form of repression and harassment. (KATARUNGAN)

CSO: 4200/415

PHILIPPINES

PRIVATE SCHOOL SYSTEM IN 'THROES OF SLOW DEATH'

Manila BULLETIN TODAY in English 1 Jan 85 pp 1, 8

[Article by Rod Villa Jr.]

[Text] When Dr. Amado C. Dizon, veteran educator, said in 1982 that the nation's private school system is "today in the throes of a slow if not sudden death," many called the statement "alarmist."

No longer.

But Education Minister Jaime C. Laya has taken the lead in trying to save the schools, which takes charge of 85 percent of the country's college and university students.

"The situation is such that unless remedial legislation is introduced, it is quite possible that Philippine private education will disappear in the very near future," Laya said in a report to the Batasang Pambansa.

School authorities have since turned to the Batasan committee on education, headed by Deputy Education Minister Salvador Britanico, to pass legislation for the survival of the schools, some 100 more of which are expected to close by end of this school year.

According to Laya, such a situation is ironic because the private school system is a "significant national resource consisting of aggrupations of intellectual and physical resources used for education."

"To duplicate such resources in the state system would take years and cost an enormous amount," he said. "The state system cannot absorb, even if it wanted to, the students now in the private schools."

Unknown to all but their leaders, the private schools' difficulties started when the government regulated the tuition fees, which make up 91 percent of the school income, with the passage of RA 6139 in 1970 and issuance of Presidential Decree No. 451 in 1974.

Designed then to put a halt to the alleged exorbitant profits of schools, the laws "froze" tuition collection to 15 percent of the previous rates.

This has since been overtaken by inflation which surged to 60 percent last year, draining school savings and causing steady losses.

The Supreme Court, in three decisions on PD 451, compounded the problem by prohibiting the deduction of cost-of-living and other allowances from the 60 percent allotment for salary increases imposed on tuition collections.

The crisis exploded with the decision of founders of the University of the East to sell out, as a last resort, to meet a P25-million obligation arising from the Supreme Court decision.

The private schools are caught between the dilemma of student rallies demanding lower fees and contending with faculty members and other workers demanding higher salaries and benefits.

The schools are also caught in the squeeze play between decreasing income and increasing cost of operations, and the owners have shied away from bank loans in the face of the high interest rates, the steady erosion of the peso, and the enrolment slump.

As Demetrio Quirino Jr., president of the Philippine Association for Technological Education (PATE), lamented, "the government policies have taken away not only the profits but also the profit motive out of the system, killing thereby the will of the owners to run the schools under a system of private enterprise."

Laya, joining the private educators, has turned to the Batasang Pambansa to remedy the situation by allowing the schools to determine tuition fees, establishing a subsidy system for the better institutions, and/or opening a "concessionary looning [as published] system."

He also proposed a service contract plan under which the government would pay school owners for the use of buildings, facilities and teachers for classes spilling out of overcrowded government schools.

CSO: 4200/426

PHILIPPINES

RIGHTS LAWYER SAGUISAG WARNS OF TAX REVOLT

Quezon City ANG PAHAYAGANG MALAYA in English 2 Jan 85 pp 1, 2

[Article by Ben Evardone]

[Text] A campaign for a nationwide tax boycott to protest excessive taxation being imposed by the Marcos regime appears to have gathered momentum as the increases in the real property tax took effect yesterday.

Human rights lawyer Rene Saguisag, in a telephone interview with MALAYA, said he has gathered enthusiastic response from people he has consulted on the possibility of a massive tax boycott.

He said that the boycott could succeed because people, by force of circumstance, would simply not pay as they could no longer afford it.

Some leading opposition figures and a member of the ruling Kilusang Bagong Lipunar have already expressed strong opposition to the unabated tax increases.

The tax boycott may be staged in two forms, opposition sources said.

One could be an open defiance of the regime's "oppressive" decrees by the people, while the other could be the "inevitable form" as expressed by Saguisag.

Opposition members of parliament led by MP Lito Atienza of Manila, Manila City Vice-Mayor James G. Barbers, former Con-Con Delegate Teofisto Guingona, Saguisag and the Realty Owners Association of the Philippines last week asked anew President Marcos to suspend the increase of real property tax.

For his part, MP Manuel Collantes (KBL-Batangas) said "we should not find our solutions in further burdening our people with more and more taxes."

The oppositionists led by Agapito "Butz" Aquino and MP Ramon Mitra deplored the continued taxation "without representation."

It will be recalled that President Marcos issued decrees last November increasing taxes without consultation with the Batasan.

A source at the Ministry of Finance said that President Marcos has issued executive orders increasing the real property tax by about 100 per cent despite a pending resolution of Atienza asking President Marcos to freeze the realty tax hike.

However, President Marcos ordered last Wednesday a study of the real property tax hike, without hinting of any commitments to defer its implementation. Under the revaluation, realty taxes would be increased by from 100 to 600 per cent.

CSO: 4200/426

PHILIPPINES

VIRATA ORDERS PUBLIC FIRMS TO DEPOSIT EQUIVALENT OF DEBT

Manila BULLETIN TODAY in English 2 Jan 85 p 11

[Text] The country's 13 non-financial public sector corporations were made to deposit the peso equivalent of their arrears in a blocked account with the Central Bank because the budget system cannot accommodate these debts once they accumulate.

Prime Minister Cesar E.A. Virata bared this as he ruled out some proposals from the 13 corporations, notably the National Power Corp., to retain part of their debt service payments with which to finance operations.

Virata said the national government will face a major lump payment in the future once these 13 corporations are allowed to retain the peso equivalent of their arrears, a situation which the budget cannot afford.

"What we have been doing is to allow these corporations pay their maturing obligations as if there were no restructuring of debts," Virata explained.

He said the only exception to Letter of Instruction No. 1442 which directed the 13 corporations to pay in effect their arrears is the nuclear power plants project in so far as the NPC is concerned.

Virata said an exception in the case of the \$1.95 billion nuclear power plant is being worked out with the NPC since the project, owing to delays in construction and start-up, is facing maturities in some of its debts even before it could start commercial operations.

Federico Puno, senior vice president of NPC for finance, said the power firm has maturing obligations with Citibank N.A. in the amount of \$265 million, \$50 million of which is due this year.

However, Virata said NPC may no longer need to retain majority of the peso equivalent of its arrears since the firm has no major new power projects to construct this year.

He also said that despite the complete reduction of government budgetary equity contributions to NPC, the power corporation would earn enough from its P70 billion asset base to tide it over next year when it expects zero equity contribution.

The 13 corporations directed by LOI 1442 to deposit the peso equivalent of their arrears as of October 15, 1984 were: NPC, the Philippine National Oil Co., National Electrification Administration, National Irrigation Administration, Local Water Utilities Administration, Export Processing Zone Authority, National Housing Authority, Light Rail Transit Authority, Philippine National Railways, Metro Manila Transit Corp., National Development Co., and Metropolitan Waterworks and Sewerage Authority.

CSO: 4200/426

PHILIPPINES

BRIEFS

MINING INDUSTRY DECLINES--Mining and quarrying, as a sector of the gross national product, registered the sharpest decline of nearly 20 percent during the first three quarters of 1984 following lower prices for major minerals and products. Construction was next with a drop of 16.2 percent due to the substantial cutbacks in government infrastructures. Manufacturing fell by 6.3 percent. [Text] [Manila BULLETIN TODAY in English 26 Dec 84 p 13]

CSO: 4200/415

INTERNATIONAL RELATIONS, TRADE AND AID

DENIAL OF ALLEGED MADE-UP STORY BY WESTERN MEDIA

Hanoi NGUOI CONG GIAO VIET NAM in Vietnamese 11 Nov 84 p 3

[Article by A. Thien Tam: "False Rumors Must Be Squeezed"]

[Text] A Roman catholic friend of mine (just returning from a visit to a Western capitalist country) told me that some Western media are spreading the news that at present, "More priests have been arrested," and, "Even bishops have been arrested," and so on.

Being a catholic, I was very disturbed by those rumors, and the first thought that came to my mind was the dangerous and deceitful propaganda schemes of the imperialists and the reactionaries. The world has known the propaganda methods of Hitler's fascists: a repeated lie will be believed by the most suspicious individual, or at least a couple of naive persons out of 100 will take credence to falsehood. Therefore, if such false and distorted news was spread by the imperialist capitalists, the colonialists and the reactionaries, there is no wonder and no need to argue or to deny. But in this instance, they were disseminated by certain organizations and personages in the Catholic sphere. I feel therefore that we, the Vietnamese Catholics, must express our attitude. We need not deny. We need to demonstrate that their stories were made up or distorted and must be rejected. As a matter of fact, their news about "religion" in Vietnam were false. Everybody knows that all Catholic dioceses in Vietnam are presently controlled by bishops and some have two bishops. Since the liberation of south Vietnam in early May 1975, the honest person cannot deny the achievements in the maintaining of religious activities, and in keeping faith in the framework of national unity, reunification of the country, protection and building of our beautiful socialist fatherland. From previous divisiveness, the Church and the Roman Catholics are reconciled and united: the Church has been united, and so has the movement of Catholic patriots. All male and female priests and clergy, besides living their religious lives, have discharged their duties as citizens by contributing to the building and protection of their beloved fatherland according to their personal situation and capabilities. All churches widely open their doors to welcome parishioners to church services.

Those are the realities of the Vietnamese Catholic Church. It has been the policy of the Communist Party and the Vietnamese Government to respect

freedom of religion. This policy has been uniform and demonstrated by facts.

The deceitful news spread by the so-called Catholic media in the West reminds Vietnamese Catholics of the lies told earlier by the imperialists and reactionaries to swindle them. We are not about to forget that in 1954 they said, "God goes to the south," "The Holy Mother goes to the south," in order to attract Catholics to move there, causing scores of families to be separated. In 1975, when the south was liberated, who made up the story of a "bloodbath" to lure the refugees? These false rumors have been proven sheer lies to deceive people. This is not to say that no one stepped into the trap, however. At present, this method of lying and distorting has been repeated with the refrain, "Priests are arrested," "Religious activities are hindered," and so on. What are the so-called Catholic media aiming at when they disseminate these false news to Vietnamese Catholics? In fact, they have volunteered their testimony against the imperialists and reactionaries' lies and dark schemes vis-a-vis our government and people.

Any Catholic knows by heart the Ten Commandments of God. Honesty and respect of the truth are observed by the faithful. This was made clear in the Eighth Commandment: "Thou shalt not lie." Therefore, whoever misrepresents himself as a Catholic but tells lies and commits perjury has to speak to his conscience and his religious faith. Being an honest Catholic, I therefore need to speak up and straightforwardly denounce and reject all the deceitful rumors of whoever slanders the regime, the government and the people of Vietnam, including Catholics.

9458

CSO: 4209/85

INTERNATIONAL RELATIONS, TRADE AND AID

EDITORIAL GREETS MONGOLIAN FOUNDING ANNIVERSARY

Hanoi NHAN DAN in Vietnamese 26 Nov 84 p 1

[Editorial: "Glorious Cause, Brilliant Achievements of the Mongolian People"]

[Text] Today, together with all the peoples of the countries in the socialist community, our people warmly hail the 60th Anniversary of the Founding of the Mongolian People's Republic as well as the Third Congress of the Mongolian People's Revolutionary Party, which was held in 1924 and which passed its first platform the gist of which was national development along noncapitalist lines. With enthusiasm and admiration, the Vietnamese communists and people are commemorating these historic events which took place under the direct influence of the great October Revolution and which provided important prerequisites for the Mongolian Revolution's advance on the glorious path of socialism.

The road traveled by the Mongolian People's Republic over the past 60 years is a vivid realization of the correct policy of the Mongolian People's Revolutionary Party and the creative labor of the fraternal Mongolian People. Through their brilliant achievements, the Mongolian people have helped demonstrate clearly the superiority of socialism and the great strength of proletarian internationalism, proven eloquently Lenin's famous argument for a backward country's ability to directly advance to socialism without going through a capitalist development stage, and set a brilliant example to inspire many Afro-Asian and Latin American nations in their mission of liberating and building their countries into independent and prosperous ones with social progress. In implementing four consecutive platforms formulated by the Mongolian People's Revolutionary Party, the Mongolian people have overcome all difficulties and obstacles, continuously moved their country forward, gloriously fulfilled the national democratic and socialist revolutions' tasks and carried on the building of material-technical bases for socialism, thus effecting a complete change in their fatherland's appearance.

Beginning with an underdeveloped economy based on a one-crop system, the Mongolian People's Republic has now become a socialist country with a developed industry and agriculture and a progressive culture and education while the material and mental life of its people has been improved

incessantly. Mongolia is one of the more than 10 countries in the world whose astronauts have flown into the cosmos.

The Mongolian laboring people are closely uniting round their leading party and enthusiastically emulating in performing labor in order to successfully fulfill the important tasks set forth by the 18th Congress of the Mongolian People's Revolutionary Party and to move forward to complete national industrialization.

With its peaceful foreign policy, the Mongolian People's Republic together with the USSR and other fraternal socialist countries have actively struggled against the armament race and the risk of nuclear war provoked by U.S. imperialism, thus reducing international tension for the sake of peace, national independence, democracy and social progress. Mongolia's initiative on the proposal to sign an agreement on nonaggression and nonuse of force in relationships between countries in the Asian and Pacific region has positively contributed to the common struggle for peace and security in Asia and the world. The fact that the Government of the Mongolian People's Republic has constantly supported the Vietnamese, Lao and Kampuchean proposals to turn Southeast Asia into a zone of peace, stability and cooperation is very encouraging.

The Vietnamese people greatly rejoice at the great and important achievements of the fraternal Mongolian people in the past six decades and consider them as positive contributions to consolidating the socialist community's strength and the world revolutionary cause. Elated by the favorable development of the relationships of solidarity, friendship and cooperation between Vietnam and Mongolia, we hope that under the leadership of the Mongolian People's Revolutionary Party headed by the respectable and beloved Jambyn Batmonh, the fraternal Mongolian people will score new and still greater achievements and continue to take Mongolia further on the glorious road of socialism.

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CSO: 4209/125

PARTY ACTIVITIES AND GOVERNMENT

HA NAM NINH FIGHTS ENEMY WAR, FULFILLS VARIOUS TASKS

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Nov 84 pp 15-23

[Article by Nguyen Van An, alternate member of the CPV Central Committee and secretary of Ha Nam Ninh Provincial CPV Committee: "Ha Nam Ninh and the Task of Winning the Enemy's Multifaceted War of Destruction "]

[Text] Ha Nam Ninh is a province in the southeastern part of the Red River delta and the southern gate of the capital city of Hanoi and has an eastern coast nearly 100 kilometers long from Ba Lat Estuary to Lach Can Estuary.

Ha Nam Ninh has a large population of 2.9 million, including over 400,000 Catholics. It is located in the key rice-growing zone of the Red River delta and also has many central and local industrial installations and many important communications axes. In the defense of the fatherland, it is a strategic area of Military Region 3 and holds the position of a province that is both the rear area and the front of the Red River delta.

Ever since they started a multifaceted war of destruction against our country the Chinese hegemony-advocating expansionists, in collusion with the American imperialists, have been conducting acts of sabotage in many aspects in Ha Nam Ninh. They sent spies into a number of places in the province and sought every means to be joined by the local reactionaries, mostly the ones under religious disguise. They were taking advantage of the difficulties in production and the living conditions of the local people and the shortcomings in economic and social management of the party organs and local administration to try to conduct the psychological war, to spread false information and distortions and to create additional difficulties and tensions in the economy, in distribution and circulation, as well as in security and order. They were taking advantage of the reactionaries in religious disguise, the reactionaries among Chinese residents, the reactionaries whom they had planted before and also the dissatisfied, decadent and degraded elements, as well as the backward youths and teenagers, to assist them in carrying out the sabotage. As to our internal situation, a key target for enemy sabotage, on the one hand

they were inventing stories and spreading news to smear our cadres and party members; on the other hand, they were instigating individualistic, selfish, profit-seeking, liberal and spontaneous acts in order to hope to corrupt some of our party members and cadres. They were seeking every means to arouse the localistic and regionalistic feelings of the people and cadres; to divide non-Catholics and Catholics, the army and the people, the army and the public security force and one region from another; and to hope to destroy the bloc of solidarity and unity among the party organization, administration, mass organizations and people in the whole province. The enemy's above-mentioned destructive activities were all aimed at trying to create instability in certain localities and at certain times, particularly where there had been poor vigilance, the mass movement had remained weak and cadres had been corrupt and decadent, as they were carrying out their immediate and long-term sabotage plots.

They also tried to use the reactionaries disguised as religious people to make the backward masses become their followers. They did not stop arousing superstitious practices as they hoped to make the people devote much time, energy and wealth to religious ceremonial offerings and celebrations, which would adversely affect production and life and have bad effects on security and order in the locality. As to the youths and teenagers, they were seeking every means to attract and draw into organizations, associations and groups; to encourage at the same time such negative moves as quitting school, avoiding work, stopping revolutionary mass organization activities, and so on; and to hope to pull them away from the struggle and to easily become an instrument of sabotage, either intentionally or unintentionally, for the enemy.

The enemy's sabotage tricks were very meticulous and shrewd. They sought "to bite one piece at a time" by paralyzing one organization after another, pushing back one section after another and neutralizing every cadre. They also engaged in the "sowing for self-growth" style of sabotage as they took advantage of the difficulties and shortcomings of the administration and the confidence and aspirations of the masses while hiding and inciting the latter to commit opposition action. They paid special attention to waging the psychological war by resorting to many tricks, both concentrated and protracted, such as spreading news from within, arousing public opinion in society, suddenly spreading "sensational" false news and then quickly muffling public opinion and resorting to "whispering," "private talk" and "internal talk," for the purpose of boosting the effectiveness of the psychological war.

In the light of the 4th and 5th Party Congresses and the resolutions of the CPV Central Committee and Political Bureau, and encouraged by the great multifaceted victories of the country as a whole, the Ha Nam Ninh Party Organization, army and people were struggling resolutely and persistently to overcome many difficulties and challenges and were scoring victories in many economic,

cultural and national defense-security activities, including outstanding victories on both the economic front and the fight-the-enemy front. On the economic front, the great and relatively total victory in agricultural production has created a momentum for the development in the coming years of the movement to build the economy and would have good effects on the defense of the locality. As to the victory on the fight-the-enemy front, although the enemy were fiercely carrying out the style of multifaceted war of destruction in Ha Nam Ninh, within the province security has been maintained and there have been changes in social order and security and the struggle against the negative aspects.

As to its national defense and security task, with the fight against the enemy's multifaceted war of destruction, Ha Nam Ninh has done a lot of work in terms of both building its strong force and stopping enemy sabotage acts.

The army and people of Ha Nam Ninh heightened their vigilance, tried to strengthen the national defense force, raised the fighting power of the local armed forces and achieved a combination of economic construction and consolidation of national defense. The local army, militia and self-defense forces grew larger in terms of strength and made qualitative progress. They had a pilot project in which a part of the reserve force was mobilized for practical training and obtained rather good results. The coastal defense line was being built through concentrated efforts and further consolidated everyday. Combat maneuvers were organized on a regular basis and yielded many good experiences. Much progress was made in building on-the-spot rear service. Troop recruitment was always fulfilled and overfulfilled in terms of quantity, quality and time limit. Many cadres and combatants, the sons of Ha Nam Ninh people, were fighting bravely, directly defending the border of the fatherland and fulfilling their international obligation. Many army units were taking an active part in economic construction and in building sea dikes, and along with the local people carrying out the slogan, "get rich and fight to win." The army rear-service policy was being seriously implemented through the localities' interest in leadership and policy implementation. The local public security force was built and consolidated to become clean and strong, particularly with more than 30,000 people's security teams closely coordinating their activities with the army, militia and public security forces in actively fighting against enemy sabotage, fighting the negative aspects and maintaining political security and social order and security.

Although the above-mentioned cultural, economic and national defense-security victories were initial ones, they had a very important significance, opened up new prospects for stabilizing the situation, continuously moved Ha Nam Ninh's movement forward and helped to win the enemy's multifaceted war of destruction.

However, in this very complicated struggle, Ha Nam Ninh still had shortcomings and weaknesses, which have limited many attainable victorious aspects. A great shortcoming that caused many consequences was the fact that the echelons and sectors in the province had not had a thorough understanding of the two strategic tasks of building socialism and defending the socialist fatherland, nor had they appropriately applied them together. As a result, in the course of their leadership, guidance and organization of implementation they failed to properly solve the relationships between production and protection of production; between building and developing their force and consolidating organization and protecting the internal ranks; and between building the economy and consolidating national defense and security. There was a serious lack of vigilance in many localities, which had not seen all the crafty sabotage plots of the Chinese hegemony-advocating expansionists, particularly the plots for economic, political, ideological and cultural destruction. Consequently, even when the enemy and criminals were strengthening their destructive activities and deliberately making trouble, the leadership and guidance of many echelons and sectors in the province still did not fully reflect any positive and active efforts to prevent and control such activities, nor any resolute and continued efforts to attack them. The party committee echelons and administration in many localities remained subjective, sometimes very subjective, and showed many mistakes in internal management, with the proletarian dictatorship being neglected in many ways and the ownership right and power of the working people at the basic level failing to be strongly developed and turned into an effective force. The socialist law did not receive proper emphasis while there remained many rightist signs in the struggle both against the negative aspects and against criminals, mostly in the struggle against speculators, smugglers, hoodlums and thieves, which let the enemy freely use these bad elements for sabotage activities. One of other great shortcomings in terms of awareness and ideological thinking was the fact that many cadres and party members had failed to see fully and keenly the political nature of violations of socialist properties and violations of social order and security within the framework of the present struggle between us and the enemy. They had failed to launch a widespread and strong mass movement for maintaining political security, protecting the economy and maintaining social order and security in the entire province. The mass movement did not respond to the required task of mounting resolute, continued and effective attacks on both the reactionaries and the criminal offenders. In some weak localities, the reactionaries were also using religion, spiritual power and superstition to win over to their side and to persuade some people to commit negative acts and to undermine the fulfillment of political tasks at the basic level, such as neglecting production, undermining the new way of living, evading the military obligation, and so on. In the organization of implementation of policy there remained many shortcomings in both the force that provided leadership and the one that carried out orders. Since the party committee echelons and administration at all levels, mostly at the basic level, had failed to correctly determine the importance of protecting

their internal ranks and the economy and maintaining political security and social order and security in the socialist revolutionary process in the locality and at the basic level, they did not show regular and tight leadership, nor did they take any synchronized and timely measures. The internal-affairs sectors were not properly consolidated, with negative signs being seen somewhere and sometimes. Not only did some cadres and combatants in the public security sector show a bossy and overbearing attitude and give the people a lot of trouble, but others also protected those who had engaged in illegal activities and had violated the party policies and state law, with the serious cases being prosecuted. A few army, militia and self-defense cadres and combatants who had been far from firm and determined were affected by enemy sabotage activities and negative social aspects and gradually became decadent and degraded as they violated policies and the law. The coordinated-combat relationships for fighting enemy sabotage and the negative aspects among the forces, between the public security force and the local armed force and between the armed forces and the forces of sectors and mass organizations were not truly strong, nor did they lead to the formation of a joint force in every locality, in every field, at a given time and in a given struggle. Specifically, although the local armed forces, which included local troops, public security, militia and self-defense forces, became stronger everyday, they still did not fulfill the functions of the force of dictatorship, staff and hard-core assault force on the security-order front.

Those were the weaknesses of the locality in recent times and also the problems that the army and people of Ha Nam Ninh are and will be concentrating their energy on resolving in the time to come.

The 3rd Ha Nam Ninh Party Organization Congress held early in 1983 confirmed an immediate and long-term task the province must fulfill -- to resolutely thwart the enemy's multifaceted war of destruction and to steadily maintain political security, economic security and social order and security, with the latter being closely linked with the struggle against the negative aspects within the province.

To fight enemy sabotage against the economy, to link it with fighting the negative aspects in the economic field, to protect the economy and socialist properties and to perfect the socialist production relationships within the entire province.

In order to effectively protect the economy Ha Nam Ninh has clearly determined that all economic plans from provincial to basic levels must include a plan for economic protection; in all economic-protection plans there must be plans for fighting enemy sabotage and the negative aspects; and we must strengthen education for cadres, party members, civil servants, workers

and cooperative members to have vigilance and responsibility for protecting the economy and at the same time resolutely make economic management an orderly undertaking, with strict procedures and regulations. On that basis it uniformly carries out positive and realistic measures.

At all levels, from provincial to municipal, city, district and basic levels, the key economic points must be clearly determined; within a key point the important parts must be determined, so as to have plans for protection, with the central things being pointed out, for the purpose of providing utmost safe protection for the major targets. To pay attention to being internally clean by refusing to place the unqualified people in important positions having to deal directly with economic secrets, precious and rare materials and running important pieces of machinery, mostly the protective forces of production installations; at the same time, to firmly expel from the organization the spoiled, decadent and degraded elements in order to actively prevent the enemy from getting in touch with them, persuading and using them to sabotage our economic base. To strive to mobilize people for organizing strict compliance with four principles in economic management, particularly the principle of responsibility and the principle of protection of socialist properties; to determine clearly and specifically how to seriously comply with the four principles for each level, each sector and each production installation on the basis of its functions and responsibilities, with the heads of organs, enterprises and units having to bear the main responsibility for things and cases happening there. To check again all economic cases having happened so far; to urgently clarify, to draw conclusions and to take serious and timely action without any delaying and neglecting in the cases of suspicion of enemy sabotage and of violations of socialist properties. At the same time, through these happenings and cases, to organize drawing experience from them and to quickly overcome shortcomings and failures in economic management, as well as in the protection of socialist properties.

Ha Nam Ninh has been making its cadres and people clearly see the political significance of the struggle for economic protection. The enemy's economic sabotage activities are all aimed at carrying out their crafty strategic design to create economic difficulties in order to instigate political opposition. Consequently, the acts of some people stealing materials, raw materials and goods and secretly supplying the free market with state goods are no longer within the realm of making mistakes due to profit-seeking intentions and greed, but in reality they constitute direct or indirect assistance in enemy sabotage activities, whether it takes place voluntarily or involuntarily. In this background, the struggle against the negative aspects becomes a measure that cannot be underestimated to fight the enemy's economic sabotage; the fight against the enemy's multifaceted war of destruction must be closely linked with the struggle between the two socialist and capitalist roads within the province, as well as in every production installation in the province.

To firmly consolidate the socialist ideological front, to strongly promote socialist patriotism among non-Catholics and Catholics in the province and to link it with active efforts to thwart the enemy's psychological war and political, ideological and cultural sabotage maneuvers.

Ha Nam Ninh considers as its most important task the need to regularly conduct propaganda and education, to ceaselessly heighten the revolutionary understanding of both party members and the masses and to make the cadres, combatants and people of the province always show a high degree of unanimity toward the line, positions and policies of the party and state. In its internal organization, it stresses the concept of organization and discipline, strictly carries out the protective procedures, fights against irresponsible statement-making and deals in a timely and fair manner with those cadres and party members who make statement and act against the views, line and policies of the party and state after giving them warnings about such a behavior. In society, it pays attention to arousing and further developing the socialist patriotic traditions, particularly the tradition of solidarity among non-Catholics and Catholics in both productive labor and the fight against aggression for national salvation, which have taken shape and developed for decades and are truly becoming a great force in all village and subward installations in the province. After living through decades of revolution, today 400,000 Ha Nam Ninh Catholics really are a strong revolutionary force of the province, both in the construction of socialism and in perfecting the socialist production relationships, both in the construction of the all-people national defense and in consolidating the people's security front, both in the fight against the enemy's multifaceted war of destruction and in remaining ready to win their aggressive war under any circumstances, all within the province. It needs to concentrate on mobilizing and organizing better this mass revolutionary force and is determined not to let the enemy infiltrate and take advantage of the situation in the province.

Ha Nam Ninh has been striving to step up the movement for building the new cultural life for its people, mostly among the youths and teenagers. At the same time, it has been resolutely fighting to stop and wipe out the social ills, backward habits, superstition and remnants of the backward and reactionary culture. Specifically, it mobilizes the people, assigns a specialized force to serve as the backbone, discovers in time the people who are engaged in psychological war and dissemination of the reactionary and decadent culture, traces back to their roots and give them severe punishment, and stops the flow of bad cultural materials from outside sources into the province, mostly in Nam Dinh Municipality and vital areas. The specialized organs of the locality strictly manage cultural and artistic activities in the province, both creative works and performances, both printing and publication, and ensure healthy and rich contents and form. It pays utmost attention to raising the cultural and spiritual standard of living at the basic level, particularly in the Catholic

areas, for this is a natural need and legitimate aspiration of the people and also a field in which the expansionists and imperialists, mostly the reactionaries under religious disguise, normally operate to deceive and attract the masses. It strengthens the construction, development and consolidation of mass organizations in order to gather the masses in revolutionary organizations, to ceaselessly heighten their revolutionary understanding and to make the great majority of Catholics in the province not only capable of preventing the enemy from deceiving and instigating them but also strong enough to fight the enemy on their own initiative and to defeat every enemy sabotage activity. The Youth Union and Women's Association have an important role and a great task in this masses-proselyting work. To be able to put large numbers of youths, teenagers and women into organizations, to have tightly organized activities, to have a movement for revolutionary action, to enthusiastically build and protect villages, subwards, native places, and so on -- this is one of the extremely important measures that are aimed at effectively fighting enemy sabotage at the basic level.

To ceaselessly improve the people's security front, the coastal defense line, to link it with the struggle against the war of espionage, against counterrevolutionaries and criminals, to firmly maintain political security and social order and security.

Ha Nam Ninh has a coastal land nearly 100 kilometers long. This is a densely populated area where the economy is developed and the very important area for both the economy and national defense. In the wars of resistance against the French and the Americans, these coastal districts had been the scenes of bitter fighting between us and the enemies. In the present stage, this coastal area is also an entrance of the Red River delta which the new enemy pays attention to and attempts to invade in order to carry out sabotage activities in the province and deep in our inland areas. Consequently, to firmly consolidate the coastal line is an extremely important direction for Ha Nam Ninh to take. The entire stretch of coastal land of Ha Nam Ninh has been and is being organized into a coordinated front among combat villages, combat clusters and forward military fortress-districts like Xuan Thuy, Hai Hau, Nghia Hung and Kim Son, on the basis of developing their strength in terms of labor, land, the sea, stepping up production, developing the economy and building a prosperous locality. In addition to mobilizing all the people living on the coast for doing national defense-security work, all coastal villages have been organizing national defense-security detachments to be combined with productive labor, and to include the joint forces of militia-self defense units, border outposts, local public security and army units in close coordination with the main-force army units for organizing the battleground, mounting guard both inland and on the sea and resolutely and in time stopping all enemy sabotage activities from the sea or within the area. Particularly for the villages located on the shore, the question of mobilizing and organizing forces

and setting up permanent combat-ready positions has been raised and resolved in a concentrated and strict manner. All of the forces stationed along the coast within the province do have permanent assault units that carefully guard all entrances to the province from the sea; under any circumstances they strive to prevent any enemy sabotage acts, as well as any attempts to flee abroad.

We must always be on the alert and fight against internal spies, counterrevolutionaries and criminals. The first and foremost need is to know well the situation on the enemy side, to know both the agents who were left behind before and the ones who have just infiltrated, particularly the reactionaries under religious disguise, internal spies and organizers of fleeing trips, in the entire province, mostly in vital areas. The basic direction in the fight against the enemy in Ha Nam Ninh is to closely combine building our forces strong and resolutely attacking the enemy. On the basis of stepping up production, developing the economy, building culture, consolidating the political base, strengthening the hard-core ranks of cadres and ceaselessly mobilizing and educating the masses, devise uniform measures aimed at getting to know the enemy, preventing and stopping enemy action and attacking and looking for the enemy. Get to know very well any enemy move and attitude. Tightly manage the people who have returned from reeducation camps. Strictly maintain surveillance over the people who are to receive on-the-spot reeducation. Suppress in time any opposition and sabotage plots. Impose appropriate punishment on active saboteurs. Chase and round up conspirators and gang leaders in their nests. Get to know well the deeply dissatisfied, backward and seriously degraded elements. All of this is aimed at eliminating at any cost the factors that can cause trouble and rebellion for the enemy at the basic level, mostly in vital areas. In addition to knowing the enemy situation and fighting the enemy, strengthen the struggle against the negative aspects, speculators and smugglers, those who illegally take and move goods, make counterfeit goods and monopolize the market; pay attention to the key locations and create basic changes in this aspect in Nam Dinh Municipality, the cities of Phu Ly, Ninh Binh and Tam Diep and areas surrounding these localities. Strengthen the socialist law and strictly carry out the regulations on administrative and security-order management, mostly the regulations on household registration in every street and hamlet and on the households living on rivers and the sea.

Within the local security-national defense forces, maintain strict management, overcome negative acts, maintain strict military secrets, safeguard all national defense-security installations, prevent and stop stealing of weapons and equipment, and attempts to set off and set fire to military depots. Keep the Ha Nam Ninh armed and paramilitary forces clean and safe so that along with the people throughout the province they totally have the capabilities to defeat any enemy sabotage acts. The Ha Nam Ninh security and national defense

forces enjoy the extremely great support of the people, more than 2 million working people, hundreds of thousands of workers and millions of collectivized farmers, who all have undergone decades of revolutionary struggle and war and socialist transformation and construction, have enthusiastic patriotic feelings, are attached to the socialist system and have a hatred for the enemy and rich experience in fighting any kind of adversary. In addition to the local public security force and local troops, Ha Nam Ninh also has very large mass armed forces, which consist of more than 300,000 militiamen and self-defense members and more than 30,000 people's security teams. This is a very powerful force, which is in a position to closely link the productive-labor activities with the security-national defense activities on a daily and hourly basis and in every locality and installation. The decisively important question is whether the leadership and guidance of the party committee echelons and administrations at all levels are effective in organizing, using and developing at any cost the strength and usefulness of this very great force. This is a hard-core assault force in the task of fighting to win the enemy's multifaceted war of destruction not only in a few localities and a few fields but also on every front and in every area in the province.

Those are some principal matters which our leadership and guidance organ in Ha Nam Ninh has been thinking about and resolutely mobilizing and organizing the entire party organization, sectors, echelons, localities, production installations and army and people in the province to strive to fully carry out. All of them are aimed at making Ha Nam Ninh economically rich, politically steady, strong in terms of national defense and security and beautiful culturally and in its way of living; fighting to win the enemy's multifaceted war of destruction in the province; and making deserving contributions along with the rest of the country to defeating the enemy's plot to weaken and conquer our country, successfully building socialism and strongly defending the socialist Vietnamese fatherland.

5598

CSO: 4209/146

PARTY ACTIVITIES AND GOVERNMENT

HO CHI MINH CITY REGISTERS OVER 2,000 NEW CPV MEMBERS

Hanoi NHAN DAN in Vietnamese 26 Oct 84 p 3

[Article: "Ho Chi Minh City: "Over 2,000 New Party Members"]

[Text] Implementing the Party development phase entitled "the Nguyen Van Cu Membership Class" launched by the City Party Committee, the Party organizations and cells of Ho Chi Minh City have admitted 2,436 new CPV members during the last three months. Among this group, 69 percent are Youth Union members and 31.4 percent are women; over 80 percent have the cultural level of high school or beyond.

Industrial production units have focused on expanding the Party among the workers. Among the newly admitted Party members in a number of industrial enterprises, some 56.1 percent are workers directly participating in production. A number of Party organizations have eliminated the situations where there are work units and production units without Party members. In Hoc Mon district, 100 percent of the hamlets have gotten their Party members. Many of the newly admitted Party members are essential cadres in the local administration and in the mass organizations at the grassroots level, thus bringing about a total transformation of the quality of leadership in the Party organization and in the proletarian dictatorship network at the grassroots level.

The various committees should attend to guiding the implementation of the Party expansion plan, to struggling to overcome narrow prejudices and lack of confidence in the masses, while at the same time paying attention to preventing the tendency to emphasize numbers, thus failing to guarantee the criteria applicable to people joining the Party.

The Party committee of the light industry bloc assigned its own members down to each production unit for inspection purposes and to overcome incorrect ideological thinking and guide implementation at the grassroots level. The Party Committee of Ho Chi Minh City Public Security Service gave monthly guidance regarding the Party expansion work, and in this present phase has already admitted 261 Party members, equivalent to 122 percent of the total number of members admitted in 1983; 100 percent of the basic organizations in the sector have been able to expand their Party membership.

Nevertheless, in this phase there still remain 51.6 percent of the grassroots Party organizations in the city which have not done their Party expansion task. Many basic Party organizations have not directed the recruitment of new Party members towards those directly involved in production. The work of Party expansion in such production areas as agriculture, cottage industries, handicrafts, trade, and buyers and sellers cooperatives, the general education schools, etc. is still weak. The proportion of Party members coming from working class background is still small, reaching only 15.3 percent of the total number of newly admitted Party members. Many Party organizations have, through the socialist labor competition movements and through the introduction of mass organizations, selected bright people to put them through a training program to become targets for Party expansion.

The Party expansion plans in the case of many basic units have been concretely drawn with categorization, with targets to aim at and with methods of controlling and training of the target members. Yet in some localities the plans have not been implemented in accordance with the realities of the feverish revolutionary movement of the masses; the supplementary training has not been done thoroughly, thus leading to results that are lower than projected.

1751
CSO: 4209/70

ECONOMIC PLANNING, TRADE AND FINANCE

SMALL TRADERS WORKING WITH COOPERATIVES LOOSELY CONTROLLED

Hanoi NHAN DAN in Vietnamese 27 Nov 84 p 2

[Article by Huu Thanh, of Hanoi: "That Is Not the Proper Way for Marketing Cooperatives To Deal in Pork"]

[Text] Almost all marketing cooperatives in Hanoi have selectively employed small traders in commercial activities with profit sharing. If employed rationally, these small traders will help the cooperatives to do a thriving business and to beneficially influence the market.

In the pork trade, however, many cooperatives have given a free hand to small traders provided they pay a certain amount of money every day to the cooperatives including the meat sale turnover (usually each trader slaughters and sells one hog per day). With their professional skill, these small traders can easily exceed this sum because it is not quite large. Furthermore, this sum does not change even though many of these traders can slaughter two or three hogs per day.

Though employed by the cooperatives, these small traders do business in an individualistic way. The cooperatives do not know whether goods have been sold out or unmarketable. Even the pork dealing small traders working with the same cooperative but belonging to different "coteries" have no idea about each other's activities. He who has sold out his goods is free to go home and it does not matter whether or not he will be able to procure and sell goods the next day. It will be also all right if he takes a day off because of inclement weather or personal affairs.

Generally speaking, these small trader households earn a rather large income and the cooperatives also benefit from the above-mentioned money contributions. Since the income distribution policy has fixed for cooperatives a norm lower than that set for individual traders, the tax paid by cooperatives is lower than the total taxes formerly paid by small trader households to the state.

This form of commercial activity is neither wholesome nor consistent with the very nature of socialist trade. On the contrary, the business activities of marketing cooperatives should have contributed to the pork market stabilization.

9332
CSO: 4209/125

AGRICULTURE

EDITORIAL DISCUSSES IMPORTANCE OF INCREASED GRAIN PRODUCTION

Hanoi NHAN DAN in Vietnamese 27 Nov 84 pp 1, 4

[Editorial: "Stepping up Grain Production--A Primary, Important Task"]

[Text] Grain is a basic requirement of human subsistence. Stepping up grain production to help solve the food problem is a primary, important task aimed at stabilizing the people's life and creating conditions to assign jobs to the agricultural and social labor forces, to carry out socialist industrialization and to provide enough food for the people's armed forces to enable them to fight victoriously. Since the average yearly per capita grain ration is still less than 300 kgs, intensifying production to obtain a sufficient amount of grain to solve the food problem for the entire society and to lay by a reserve is a strategic task which must be strenuously done for a long time to come.

During the 4-year period of 1981-84, the yearly grain output increased by 700,000 tons on the average as compared with the average increase of 220,000 tons during the period between 1976 and 1980. Our achievement would be greater had the 1984 10th-month crop not been seriously damaged by harmful insects and diseases and by major floods and waterloggings. This achievement is the initial result of the implementation of the new management apparatus in agriculture--specifically the application of the product contract system--and is also attributed to the multicropping and intensive cultivation method designed to increase output and to the modification of the agricultural season and crop cultivation pattern coupled with the introduction of technical advances, especially the use of new crop varieties. However, during the 1983-84 period, natural calamities including cold spells, drought, waterloggings, floods and harmful insects have occurred continuously on a large area so that the grain output increase obtained has been less than during the 2-year period of 1981-82. This proves that grain production is not yet stable and that there still are great discrepancies between various yearly outputs. While grain production in south Vietnam has become relatively stable with an even output increase, it is still unstable in north Vietnam. Rice crops have developed fairly well but subsidiary food crops have declined continuously and their output has only increased very slowly while a fairly large acreage suitable for subsidiary food crop cultivation has not yet been fully used.

Concentrating all efforts to the maximum to intensify grain production is a simultaneously urgent and long-term task of strategic significance because it will help achieve the first and most important of four targets set forth by the Fifth Party Congress which is to stabilize the economic situation and the people's life.

The intensification of grain production is highly important socioeconomically and politically and is also an imperative condition for harmoniously developing and stabilizing not only agriculture but also the entire economic system in general. Let our entire party, people and army strive more actively, vigorously and steadfastly on the grain production front and let them concentrate investments on it so as to increase productivity and grain output.

Generally speaking, the land area suitable for grain crop cultivation is limited. Consequently, the grain output increasing method includes combined measures such as intensive cultivation, multicropping and new land opening among which intensive cultivation and multicropping are the principal guidelines and basic and long-term measures. While the average rice output is only 2.6 tons per hectare per crop, some cooperatives have reached 5, 6 or 7 tons and some districts between 4 and 5 tons. By intensifying cultivation throughout the farming area, by increasing output evenly and by simultaneously building up high-yielding areas, it will be highly possible to increase grain output. Despite the possibility of growing many crops a year on our country's land, the land use coefficient is generally only about 1.3 times with over 1.9 times in some regions and less than one in some others. To increase grain output, it is also highly possible to carry out water conservancy, to use new and appropriate crop strains for multicropping purposes and to fully exploit the land potential.

In our country, grain is produced by rice and subsidiary food crops. The most important grain producing crop is rice which has reached 15 million tons a year and can yield more. The output of subsidiary food crops has attained over 2 million tons in paddy equivalent which represents less than 30 percent of the total grain output but there still are great possibilities of expanding the arable area and applying the intensive cultivation method. In addition to the intensive cultivation and area expansion of rice crops, subsidiary food crops must be considered most important and it is necessary to stop their output decrease that has happened over the past few years, to actively intensify their cultivation and expand their area and to coordinate their production, preservation, processing, distribution and circulation in order to rapidly increase their output to obtain enough food for human beings and enough feed for domestic animals.

Intensifying grain production must be coupled with protecting it under various forms and by taking constructive, organizational and biological measures.

Beside routine measures including water conservancy, increasing the quantities of stable and green manures, providing the necessary draft power and good seeds and so forth, the grain production front requires that the various state sectors and agencies provide material supplies in time for the winter-spring

cultivation season--first and foremost, gasoline and oil to aid in soil preparation and irrigation for the spring rice crop, and also chemical fertilizers and insecticides. Beside encouraging the full use of land to grow subsidiary food crops by planting companion and catch crops overlapping the preceding and following ones, it is necessary to develop intensive and concentrated cultivation zones for subsidiary food crops and to provide enough material supplies for the production and processing of subsidiary food crops.

From September to date, the Mekong River delta, Central Trung Bo, (former) Zone 4 and the Red River delta have continuously suffered from serious natural calamities which have created difficulties during the summer-fall, 10th-month and winter cultivation seasons. In view of this situation, all regions must try to further intensify the production of grain. Areas not stricken by floods and waterloggings must increase production during the winter and winter-spring seasons to make up for regions having suffered losses. Areas subjected to natural calamities must display initiative to overcome difficulties and apply popular experiences and confirmed technical advances in continuously growing winter crops on schedule, in rapidly cultivating the winter-spring crops and in preparing seeds for the 10th-month crop next year. While the overall situation is difficult, more difficulties are assailing certain regions and families who do not have enough manpower. All localities and production installations must try by all means to help cooperatives beset with difficulties and also to wholeheartedly help families of fallen heroes, wounded soldiers and other armymen so that all regions and households may progress equally. It is necessary to motivate people to step up production simultaneously with practicing the utmost thriftiness so that they may meet their need for food by themselves and have plenty of grain to fulfill their obligations and sell more to the state.

Stepping up production and economically consuming grain is the duty of our entire party, army and people. By bringing into play the collective ownership spirit and the aggregate strength of every production installation and locality and of the whole country and by fully using land, labor and all existing production capacities, we will be practically able to win new success on the grain production front next year and to attain the grain production norm set by the Fifth Party Congress.

9332

CSO: 4209/125

HEAVY INDUSTRY AND CONSTRUCTION

ACHIEVEMENTS IN MINERAL EXPLORATION REPORTED

Hanoi NHAN DAN in Vietnamese 27 Nov 84 p 2

[Article by Le Van Cuong: "Third Geological Group Actively Prospects for Minerals Used To Manufacture Fertilizers"]

[Text] Composed of 9 subgroups with a personnel of nearly 2,000, the Third Geological Group has scattered its men in many regions to discover and prospect for minerals of various kinds. The group's scope of action covers a large area of 60,000 sq kms including Lai Chau, Son La, Hoang Lien Son, Ha Son Binh, Vinh Phu and Ha Nam Ninh Provinces, Hanoi City and the region situated north of the Ma River (Thanh Hoa Province).

Over the past few years, with a clear understanding of the party policy on agricultural development and of the role and position of the geological task in the national economy, the group has concentrated forces to search for and explore many types of minerals used to manufacture fertilizers to promote agricultural production and has simultaneously prospected for elemental and polymorphic metals and some other precious minerals. Pyrite is an ore used as raw material in the superphosphate manufacturing industry. In the past years, our country had to import this type of ore and sometimes had to exchange rice for ores. There were many instances when the Lam Thao superphosphate factory met with difficulties just because of a pyrite shortage.

After many years of hard work, the Third Geological Group has completely explored the Giap Lai pyrite mine and handed it over to the Minerals General Department for exploitation. This is a medium-sized mine not very abundant in ores but it can be expanded immediately to partially meet the need to produce superphosphate.

Apart from the Giap Lai mine, the group has also explored and estimated the reserve deposits of some small pyrite mines where conditions are favorable for exploitation and easy transportation. While proceeding with such works as well digging and exploratory drilling, the group launched a movement to collect pyrite ore to sell to the state (500 tons in 1982, 700 tons in 1983 and 2,000 tons to be achieved in 1984).

The exploration conducted to expand the apatite mining zone is also a great success of the group and contributes to the production of phosphate fertilizer in our country.

The group has determined that many phosphorite locations with fairly large reserves exist in the provinces of Son La, Hoang Lien Son, Ha Son Binh and so on. In the past 10 months, the geological sector has examined and ratified the Tay Bac phosphorite exploitation plan submitted by the Third Geological Group after conducting an exploration. This type of fertilizer can be quickly used to promote agriculture right in the locality concerned with a low production cost and a high economic effectiveness.

The reserve deposits of peat and "energy" coal [than nawng luwowngj] for use as fertilizer and fuel in a number of locations in the provinces of Son La, Lai Chau and Ha Nam Ninh and in the Hanoi suburbs are being estimated. This type of mines will effectively promote the development of local industry and agriculture. The mineral exploration guidelines set forth by the groups are to pay attention not only to large mines but also to give due consideration to the medium- and small-sized ones because capital investments in them will be easy and because they will quickly produce an economic effect and are suitable to our country's situation. The group has joined forces with a number of localities and sectors to quickly exploit the newly discovered locations of natural resources.

9332

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HEAVY INDUSTRY AND CONSTRUCTION

BRIEFS

GIAP LAI PYRITE MINE--In the sprinting emulation phase in the last 10 days of September meant to complete the third quarter plan, 7,293 tons of ore have been extracted, representing 81 percent of the September plan. Sixteen out of 26 shifts reached high productivity by 150 to 200 percent; the 2 cells with the highest productivity reached 2,568 tons and 2,786 tons respectively (representing 150 percent and 180 percent overfulfilment as compared to the criteria), and the truck with the highest productivity reached 250 percent. Through this emulation phase, the mine has gained good experiences in providing guidance for production and in organizing of a mass movement. It also confirms the possibility of attaining the extraction target of 40,000 tons of commercial pyrite ore in 1984.
[Text] [Hanoi LAO DONG in Vietnamese 1 Nov 84 p 2] 1751

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TRANSPORTATION AND COMMUNICATIONS

COOPERATION BETWEEN TRANSPORTATION, FOOD SECTORS REPORTED

Hanoi LAO DONG in Vietnamese 15 Nov 84 p 3

[Article by Thieu Mai: "A Look at the Cooperative Effort in Hauling Grains"]

[Text] Grains are an essential commodity for the people's lives and have a great strategic meaning. The movement of grains, if not timely, not sufficient in quality and quantity, or causing damages or losses, is not only detrimental to the government, but also directly affects the productivity and determination of the workers, employees, armed forces and the people. This responsibility is vested in the two transportation and grain sectors.

Because of this, after many meetings and discussions, on 15 June 84 the ministries and labor unions of the two sectors agreed to organize an emulation campaign for the movement of grains, with the following objectives:

--To struggle toward the completion and surpassing of the grain movement plan in both quantity and time including all lines and modes.

--To improve management and protection of grains in the processes of shipping, receiving and transportation to encompass both quantity and quality, in reducing losses to the lowest level, in eliminating overbearing attitudes, and in creating favorable conditions for accomplishing the mission.

Up to now, the emulation campaign has been in existence hardly 6 months, so it is not yet possible to evaluate it. Nevertheless, in light of the initial results, we would like to point out certain occurrences that we might wish to develop or learn from.

Getting Closer Together

The most visible result after signing the pledge of emulation is that both owners of commodities and transportation means have begun to get closer together and coordinate in order to accomplish the mission. For many, this was the knot that untangled the difficulties faced by both parties. They had never been willing to sit down to discuss their problems, preferring instead to criticize or put the blame on each other.

Hai Phong Port was selected as the focal point of the movement. An interdependent meeting is held here every Thursday. Nearly no meeting was missed by deputy ministers of the two ministries and the secretaries of the labor unions of the two sectors. They reviewed the situation, got hold of the available means, formulated coordinated plans for each ship and each transportation phase, and speedily resolved emergency situations to reduce occurrences such as the absence of commodities when transportation means is unavailable.

The most crucial lines of transportation are from the south to the north and from Hai Phong Port to the capital and to the bordering provinces. Previously, certain ships had to wait months at Saigon Port without enough load to lift anchor. Presently, such happenings are drastically reduced. Shipping and receiving in southern provinces are better handled. The transportation sector uses the motto, "Do not wait for the commodities to arrive but go to where they are and pick them up." Owing to this, all-purpose ships with low loading capacity from 400 to 600 tons were able to sail on the rivers of the Mekong delta to gather commodities "at the roots," and deliver them "at the top" to northern provinces without losing time to stop at ports. With concerted efforts of the two sectors, the movement of grains from the south to the north in July and August reached and surpassed the plan: 30,000/30,000 tons in July and 27,850/25,000 tons in August.

Commenting on the relationship between the grains and transportation sectors, comrade director of the Hai Phong Level 1 Grains Company stated:

"The coordination and emulation movement have enabled the transportation and grains units to get closer together and to work in a more synchronized manner. Both sides feel that there is a community of responsibility. In a first step, they have fought successfully against the spirit of localism and separatism."

The Gap Between Pledge and Execution

It may be said that compared with what has been pledged, job implementation in certain areas still ran into many difficulties and shortcomings. In the pledge, the plan clearly stated: The grains sector must formulate transportation request plans to send to the transportation sector and on the basis of agreement between the two ministries, signs economic contracts with transportation units for each month and each quarter. However, plans were sometimes not in accordance with the prevailing situation and consequently ruined the economic contracts. The picking up of commodities at the roots in southern provinces was still passive. Ships had to wait and wasted time. The rules stipulate that before delivery to the transportation sector, grains must be well bagged and classified into lots and wrappings in order to reduce later sorting. But most grains bags transferred from the south had their serial numbers destroyed and there was a mixup of large and small bags which made shipping, receiving and hauling more difficult. Cargo workers in southern provinces were still in the habit of hauling rice bags with iron hooks. Consequently, bags were torn or damaged and needed to be replaced, causing loss of time.

Concerning the transportation sector, the implementation of transportation plans in some lines in southern provinces was still not satisfactory. In August 1984, it was planned to haul 3,500 tons of grain to Bac Thai by trucks but there were not enough trucks available; 4,000 tons of grain had to be transported to Lang Son by rail but the plan could not be implemented either and an emergency hauling of 500 tons by truck had to be done as an alternative; 2,000 tons of rice were to be hauled at Hai Phong Port to Do Che (Nam Dinh) and then transported by the Truck Company No 31 to the northwest, but the Central River Transportation Company was unable to meet the deadline, etc. Unloading on some ships was still slow. One of the reasons [for delay] was that a certain number of cargo workers were still passive. They demanded that more money be paid or they would create more difficulties.

Losses Still an Unresolved Matter

The emulation pledge stipulated, "If the transportation unit struggles to reduce depletion to below the regulated level, 50 to 70 percent of the grain saved shall be used as a reward for the unit according to the market price regulated by the local commodity price committee. If the depletion is over the regulated level, the transportation unit must pay for the compensation according to the market price at the time of delivery at destination."

This stipulation was crucial in reducing losses. However, up to the present time, the two ministries have not decided the percentage of depletion. Therefore, the regulation contained in the pledge was but a formality and had no basis for implementation. This created a shelter for both owners of commodities and transportation means who incurred losses, placed the blame on each other and had no way to penalize anybody. Grain depletion, in the meantime, continued. Many cases of grain stealing became widespread such as drivers conniving with warehouse keepers to remove commodities from ports then selling them to private merchants who used their small ships to take them out to sea or owners of commodities stealing rice by removing part of it from full bags. Another loophole resulted from the fact that weighing at both ends of the lines was not done by the same method, thus creating opportunities for the unscrupulous to steal grain easily. So far the grain sector has been unable to solve this problem because the scales are still inaccurate. Most of the rice transported from the south had its serial numbers destroyed at loading and the only way of weighing was by the draught of the ship. This method was inaccurate and responsibility could not be determined in case of rice depletion. In one instance, a ship pilot took advantage of this weighing method to steal rice on the way and to put more water into the ship, causing rice to lose its quality. It is regrettable that after so many years, the grain sector has been unable to find a more logical solution.

It may be said that in its first steps, the coordination and emulation movement has made some progress. Nevertheless, the movement is still focused at the ministry and sector level, among the main management cadres and the labor union cadres of units selected as focal points, and has not

become a popular movement or become widespread in localities. Up to now, besides the two focal points--Hai-Phong and Saigon Ports--only Thanh Hoa has signed the pledge of emulation. Propaganda activities pertaining to the context of the emulation campaign have not penetrated the masses and it has not yet been possible to muster the forces of the larger number of workers and employees and to reduce the universal apathy.

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POPULATION, CUSTOMS AND CULTURE

FAMILY PLANNING CONFERENCE URGES TWO PER FAMILY

Hanoi NHAN DAN in Vietnamese 27 Oct 84 pp 1, 4

[Article: "Conference on Population Work: Each Couple Should Have Two Children Only, Separated by Five Years"]

[Text] During the two days, 22 and 23 October, the National commission on population and family planning met in Ho Chi Minh City and organized a conference on population work.

Comrades Nguyen Thi Dinh, President of the Vietnam Women's Federation; Doctor Dang Hoi Xuan, Minister of Health, Deputy Chairman, National Commission on Population and Family Planning; Pham The Duyet, Vice President and Secretary General, Vietnam Confederation of Trade Unions; Nguyen Cong Thang, Vice Minister of Health, Secretary General of the National Commission on Population; representatives of various people's committees from the provinces and cities of south Vietnam, and representatives of organs in charge of population and family planning in the provinces and cities of south Vietnam participated. The population in our country increased too fast in the last few years, amounting to an increase of 1.3 million a year. The time has come to resolutely limit births, using every means, to the necessary level in order to reduce the present rate of growth. If each year we do not produce 400,000 more tons of grain, then the per capita grain allocation for the following year will decrease as compared to the year before. Even if we do produce 400,000 more tons of grain, that would simply mean that we have the same per capita amount of grain as the year before, and the problems of housing, educational and health facilities, as well as other social requirements would only become more acute and difficult. The National Commission on Population states: "Our country is at the population explosion stage." Many of the representatives who spoke pointed to the efforts that in the last few years the various sectors and localities have made in motivating the mass to realize family planning and struggling to reduce the population. Nonetheless, the situation is still acute and requires extraordinary efforts to attain the population expansion target of 1.7 percent in 1985 throughout the country, as has been set forth by the resolution of the Fifth Party Congress. The representatives have discussed such large-scale measures as the work of propaganda and education, contraceptive measures, policies and regimens designed to encourage the implementation of family planning, and organizational measures.

In the immediate future, the population movement will be aimed at propagandizing the idea that each couple should have only two children (they could be girls or boys). They should also be separated by five years. And the women should bear children only when their bodies are fully developed, which is best from 22 years of age and up.

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